DRAFT RED HERRING PROSPECTUS
Dated May 31, 2019
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
Book Built Issue

SHYAM STEEL

SHYAM STEEL INDUSTRIES LIMITED

Our Company was originally incorporated as Shyam Shree Steels Limited on March 8, 2002 at Kolkata as a public limited company under the Companies Act, 1956, and was issued a certificate of incorporation by the Registrar of Companies, West Bengal at Kolkata ("**RoC**"). Subsequently, the name of our Company was changed to Shyam Steel Industries Limited and a fresh certificate of incorporation consequent on change of name was issued by RoC on December 18, 2003. For details pertaining to the changes in our name and the address of our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 140.

Registered Office and Corporate Office: Shyam Tower, EN-32, Sector - V, Salt Lake City, Kolkata 700 091; **Tel**: 033-4007 4007;
Contact Person: Prashant Damani, Company Secretary and Compliance Officer; **Email**: investor@shyamsteel.com; **Website**: www.shyamsteel.com
Corporate Identity Number: U27100WB2002PLC094339

PROMOTERS OF OUR COMPANY: PURUSHOTTAM BERIWALA, GOVIND BERIWAL, LALIT BERIWALA, RAVI BERIWALA, BRIJESH BERIWALA AND MANISH BERIWALA

INITIAL PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF SHYAM STEEL INDUSTRIES LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "ISSUE") CONSISTING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,670,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING UP TO 1,160,300 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PROMOTER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) AND UP TO 5,509,700 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER, AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") ("OFFER FOR SALE"). THE ISSUE WILL CONSTITUTE [●] % OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND [●] EDITIONS OF THE BENGALI DAILY NEWSPAPER [●] (BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**") and other Designated Intermediaries, as applicable.

This Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", the "**QIB Portion**"), provided that our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**''). At least one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, shall only participate in the Issue through the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account (including UPI ID for RIBs using UPI Mechanism) (UPI ID, RIBs and UPI Mechanism are defined hereinafter) wherein the Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA Process. For details, see "*Issue Procedure*" beginning on page 316.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Shares is ₹ 10. The Floor Price, Cap Price and Issue Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 23.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders, severally and not jointly, accept responsibility for and confirm the statements made by such Selling Shareholders in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the offered shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 337.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
AXIS CAPITAL	Edelweiss Ideas create, values protect	IIFL	SBI Capital Markets Limited	LINKIntime
Axis Capital Limited 1st Floor, Axis House C 2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Tel: +91 22 4325 2183 Email: ssil.ipo@axiscap.in Investor grievance email: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Mayuri Arya SEBI registration number: INM000012029	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off C.S.T. Road, Kalina Mumbai 400 098 Tel: +91 22 4009 4400 Email: shyamsteel.ipo@edelweissfin.com Investor grievance email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Disha Doshi / Mohit Kapoor SEBI registration number: INM0000010650	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Tel: +91 22 4646 4600 Email: ssil.ipo@iiflcap.com Investor grievance email: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Rajshekhar Swamy/ Aditya Agarwal SEBI registration number: INM000010940	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tel: +91 22 2217 8300 Email: ssil.ipo@sbicaps.com Investor grievance email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Karan Savardekar / Janardhan Wagle SEBI registration number: INM000003531	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 022 49186200 Email: shyamsteel.ipo.linkintime.co.in Investor grievance email: shyamsteel.ipo@linkintime.co.in Website: www.linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration number: INR000004058

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

* *Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

** *Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits for our Company", "Statement of Special Tax Benefits for SSML", "Financial Statements", "Basis For Issue Price", "Outstanding Litigation and Material Developments" and "Main Provisions of the Articles of Association", beginning on pages 93, 138, 84, 89, 171, 81, 285 and 328, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "SSIL"	Shyam Steel Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered and corporate office at Shyam Tower, EN-32, Sector - V, Salt Lake City, Kolkata 700 091
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries, on a consolidated basis

Company related terms

Term	Description
Angadpur Plant	Manufacturing steel plant of our Company located at Raturia Industrial Area, Angadpur, Durgapur, Paschim Bardhaman 713 215
Articles of Association/AoA	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations
Auditor/ Statutory Auditor	Statutory auditor of our Company, being B S R & Co. LLP
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Barjora Plant	Manufacturing steel plant, taken on license by our Company located at K Block, Plasto Steels Park (2nd Phase), Ghutgoria, Barjora, Bankura 722 168
Corporate Office	Corporate office of our Company located at Shyam Tower, EN-32, Sector – V, Salt Lake City, Kolkata 700 091
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013
CRISIL or CRISIL Research	CRISIL Limited
CRISIL Report	Report titled Market Assessment for Indian Steel Industry (TMT Bars) dated May 2019, issued by CRISIL Limited
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Gopalpur Plant	Manufacturing steel plant of our Company located at Bamunara Industrial Area, Gopalpur, Block Kanksa, Durgapur, Paschim Bardhaman 713 212
Group Companies	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information as covered under the applicable accounting standards, and also other companies as considered material by our Board of Directors and as disclosed in "*Our Group Companies*" beginning on page 168
Key Managerial Personnel/KMP	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "*Our Management- Key Managerial Personnel*" beginning on page 159

Term	Description
Material Subsidiary	Subsidiaries which contribute 10% or more to the turnover or net-worth or profits before tax of the Restated Consolidated Financial Information. Accordingly, Shyam Steel Manufacturing Limited is a material subsidiary of our Company
Mejia Plant	Manufacturing steel plant of our Subsidiary, Shyam Steel Manufacturing Limited, located at Jemua, Mouza, Block Mejia, Bankura 722 143
Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations
Other Selling Shareholders	Shri Ram Beriwala, Shyam Sunder Beriwala, Puspa Devi Beriwala, Bina Beriwala, Jyoti Beriwal, Manjulata Beriwala, Vineeta Beriwala and Anju Beriwala, forming part of our Promoter Group Selling Shareholders.
Preference Shares	Preference shares of our Company of face value ₹ 10 each
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" beginning on page 161
Promoters	Promoters of our Company, namely, Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Brijesh Beriwala and Manish Beriwala. For details, see "*Our Promoters and Promoter Group*" beginning on page 161
Promoter Selling Shareholders	Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Brijesh Beriwala and Manish Beriwala
Registered Office	Registered office of our Company located at Shyam Tower, EN-32, Sector – V, Salt Lake City, Kolkata 700 091
Registrar of Companies/RoC	Registrar of Companies, West Bengal at Kolkata
Restated Consolidated Financial Information	Restated consolidated financial information of our Company as at and for the nine months period ended December 31, 2018 and for the Fiscals 2018, 2017 and 2016 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated consolidated summary statement of assets and liabilities, the restated consolidated summary statement of profit and loss (including other comprehensive income) and the restated consolidated statement of cash flows and notes thereto prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Scheme of Amalgamation	Composite Scheme of Amalgamation of Adarsh Tie-Up Private Limited, Bright Horizon Impex Private Limited and Shreegopal Hi-Tech Private Limited (collectively, the "**Transferor Companies**") with our Company, approved by the Calcutta High Court, by an order dated January 16, 2008, whereby all rights, interests and liabilities in the Transferor Companies were transferred to our Company
Selling Shareholders	Promoter Selling Shareholders and Other Selling Shareholders, collectively
Shareholders	Shareholders of our Company from time to time
SSML	Shyam Steel Manufacturing Limited
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations
Steel Manufacturing Plants	Our steel manufacturing plants, namely, Angadpur Plant, Barjora Plant, Gopalpur Plant and Mejia Plant
Subsidiaries	Subsidiaries of our Company, namely, (i) Shyamsteel Energy Private Limited, (ii) Shyam Steel Manufacturing Limited, (iii) Shyam Mining Private Limited and (iv) Vaikuntha Tradecom Private Limited

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form

Term	Description
Allot/Allotment/Allotted	Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and Selling Shareholders in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include amount blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidder with an for blocking the Bid Amount mentioned in the ASBA Form and will include bank accounts of RIBs linked with UPI
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Issue	Escrow Collection Bank, Refund Bank, Public Issue Bank and Sponsor Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" beginning on page 316
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires

Term	Description
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper, [●], [●] editions of the Hindi national daily newspaper, [●] and [●] edition of the Bengali daily newspaper, [●] (Bengali being the regional language of West Bengal, where our Registered Office is located), each with wide circulation Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper, [●], [●] editions of the Hindi national daily newspaper, [●] and [●] edition of the Bengali daily newspaper, [●] (Bengali being the regional language of West Bengal, where our Registered Office is located), each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers/ BRLMs	Book running lead managers to the Issue, being Axis Capital Limited, Edelweiss Financial Services Limited, IIFL Holdings Limited and SBI Capital Markets Limited
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Bankers to the Issue, Syndicate Members and Registrar to the Issue for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE
Cut-off Price	Issue Price, finalised by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, which shall be any price within the Price Band Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price

Term	Description
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus following which Equity Shares will be Allotted in the Issue
Designated Intermediary(ies)	The member of the syndicate, sub-syndicate members/agents, SCSBs (other than RIBs using UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated May 31, 2019 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	The account(s) opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH /NEFT / RTGS / direct credit in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Accounts will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 2,000 million by our Company
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, as amended from time to time. Pursuant to the SEBI circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, the General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers
Gross Proceeds	Proceeds of the Issue that are available to our Company

Term	Description
IIFL	IIFL Holdings Limited
Issue	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,000 million and an Offer for Sale of up to 6,670,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million
Issue Agreement	Agreement dated May 31, 2019 entered amongst our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price (which will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers) in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book-building Process and the Red Herring Prospectus
Issue Proceeds	Proceeds of the Issue that are available to our Company and the Selling Shareholders
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis subject to valid Bids being received at or above the Issue Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" beginning on page 74
Non-Institutional Bidders/ NIBs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Non-Resident Indian	A non-resident Indian as defined under the FEMA Regulations
Offer for Sale	Offer for sale of up to 6,670,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million
Offered Shares	Up to 6,670,000 Equity Shares aggregating to ₹ [●] million offered by the Selling Shareholders in the Offer for Sale
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revision(s) thereof The price band and the minimum bid lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] edition of the Bengali daily newspaper [●] (Bengali being the regional language of West Bengal, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the

Term	Description
	Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account to be opened with the Public Issue Bank in accordance with Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Issue Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened, in this case being [●]
QIB Portion	Portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue or [●] Equity Shares, which shall be allocated to QIBs, including the Anchor Investors Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB portion to Anchor Investors on a discretionary basis
Qualified Institutional Buyers or QIBs or QIB Bidders	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. Red Herring Prospectus will be registered with the RoC at least three Working Day(s) before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than and the members of the Syndicate and eligible to procure Bids in terms of the circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated May 30, 2019 entered amongst our Company, the Selling Shareholders and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the lists available on the websites of BSE and NSE as per the circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include Non-Resident Indians other than Eligible NRIs)
Retail Portion	Portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
SBICAP	SBI Capital Markets Limited
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35,

Term	Description
	as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by the Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms
Sponsor Bank	[●], being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the SEBI circulars bearing numbers SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, as amended, from time to time
Syndicate/ Members of the Syndicate	Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Underwriters to be entered into on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of a SMS on the directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism that may be used by an RIB to make a Bid in the Issue in accordance with the 2018 Circular on Streamlining of Public Issues
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
AT&C	Aggregate technical and commercial
B2B	Business to business
B2C	Business to customer
CRM	Customer Relationship Management

Term	Description
DRI unit	Direct Reduced Iron unit
ISO	International Organisation for Standardization
MT	Metric tonnes
MTPA/ TPA	Metric tonne per annum
OHSAS	Occupational Health and Safety Assessment Series
R&D	Research and Development
SAP	systems, applications and products
SMS	Steel melting shop
TMT Rebar	Thermo mechanically treated rebar

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Bn or bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %) : (End Year/Base Year) ^ (1/No. of years between Base year and End year) – 1 [^ denotes 'raised to']
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
CPC/ Civil Code	The Code of Civil Procedure, 1908
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant Identification
DP/Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortisation

Term	Description
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ERP	Enterprise resource planning
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP through notification dated August 28, 2017 effective from August 28, 2017
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017
Financial Year/Fiscal/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year or as at March 31 of that particular year, as the case may be
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti Avoidance Rules
Gazette	Gazette of India
GBP	Great British Pound
GIR	General Index Register
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance note on reports in company prospectuses issued by ICAI (2019)
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
Listing Agreement	Listing Agreement to be entered amongst our Company with the Stock Exchanges
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
Mn or mn	Million
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N. A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer

Term	Description
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI Ind AS Circular	SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the SEBI ICDR Regulations
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
TDS	Tax Deducted at Source
Trade Marks Act	Trade Marks Act, 1999
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Term	Description
U.S./USA/United States	United States of America
USD/US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "*Risk Factors*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*", "*Main Provisions of Articles of Association*" and "*Issue Procedure*" beginning on pages 23, 74, 124, 93, 285, 328 and 316, respectively.

Primary business of our Company

We are one of the leading premium branded thermo mechanically treated rebar ("**TMT Rebar**") players in India having integrated steel plants and a strong brand identity and recall amongst end customers (source: CRISIL Report). We are primarily involved in production of TMT Rebar with backward integration in sponge and billet and sale of premium TMT bars (long steel products) in India (source: CRISIL Report). Owing to our extensive and strong dealer distribution network and strong brand identity, we have developed a strong retail segment. In the institutional segment, we sell quality TMT Rebar for projects of large government entities including public sector undertakings, National Highway Authority of India, railways, military engineer services, Nuclear Power Corporation of India and various state governments. Our continuous focus on building our brand SHYAM has made us one of the leading premium brands recognised in India for TMT Rebar (source: CRISIL Report).

Primary business of the industry in which our Company operates

Our Company is primarily involved in production of TMT rebars with full backward integration in sponge & billet and sale of premium TMT bars (long steel products) in India. Our Company has in the past undertaken backward integration of its operations through production of raw materials such as billets and sponge iron through enhancement of their in-house production capabilities. India is the third largest producer of steel in the world with nearly 6% share of global steel production in calendar year 2018.

Names of our Promoters

Our Promoters are Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Brijesh Beriwala and Manish Beriwala.

Issue size

The following table summarizes the details of the Issue size:

Issue of Equity Shares(1)(2)	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹ 2,000 million
(ii) Offer for Sale(2)	Up to 6,670,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders

(1) *The Fresh Issue has been authorised by our Board pursuant to resolution passed on September 29, 2018 and by our Shareholders pursuant to special resolution passed on September 29, 2018.*

(2) *The Selling Shareholders (severally and not jointly) have specifically confirmed that their respective portion of the Offered Shares are eligible to be offered for sale in the Issue in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 295.*

Objects of the Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Objects	Amount (in ₹ million)
Repayment/prepayment of certain borrowings of our Company and SSML	1,550
General corporate purposes*	[●]
Net Proceeds*	[●]

* *To be finalised upon determination of the Issue Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

Aggregate pre-Issue shareholding of Promoters and Promoter Group and Selling Shareholders

Name of shareholder	Number of Equity Shares held	Percentage of the pre- Issue paid-up capital (%)
Promoters	16,981,000	27.39
Promoter Group	40,637,000	65.54
Selling Shareholders*	33,334,000	53.76

* *Our Selling Shareholders form part of our Promoters and Promoter Group.*

Summary of Financial Information

(*in ₹ million*)

Particulars	As of			
	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Equity share capital	62.00	62.00	62.00	65.00
Net worth attributable to equity shareholders	6957.87	5642.02	4572.4	4285.69
Total Income	20,141.32	21,629.04	15,224.67	11,690.60
Consolidated profit after tax for the period/year	1,313.49	1,093.60	446.76	74.00
Basic and diluted earning per share (₹ / share)	21.19	17.63	6.83	1.09
Net Asset Value per share[1]	112.22	91.00	73.75	65.93
Total borrowings (as per balance sheet)[2]	**2445.05**	**2748.42**	**3246.47**	**3066.62**

[1] Net Asset Value per share = Net worth attributable to equity shareholders / number of equity shares outstanding during the period / year;
[2] Total Borrowing consists of Non-current borrowing, Current maturities of long-term-debt and Current borrowings as per Restated Consolidated Financial Information as at December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016

Outstanding litigations and material developments

The summary of outstanding litigation involving our Company, Promoters, Directors and Subsidiaries (the "**Relevant Parties**"), are set out below:

Litigation by the Relevant Parties

Litigation by our Company

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Criminal matters	32	22.28
Matters above the materiality threshold of ₹ 10.94 million	2	1,100.00
Total	**34**	**1,122.28**

Litigation by our Subsidiaries

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Matters above the materiality threshold of ₹ 10.94 million	3	387.30
Total	**3**	**387.30**

Litigation against the Relevant Entities

Litigation against our Company

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Direct tax matters	8	407.89#
Indirect tax matters	20*	92.23
Total	**28**	500.12

An amount of ₹ 429.42 million has been paid by our Company in the form of advance tax, TDS or self-assessment tax or is adjusted from MAT credit entitlement of our Company for the assessment years in respect of which the aforesaid matters are pending and accordingly, our Company has received the refund amounts in respect of certain matters.

* *Includes three cases under which penalty has been levied against our Directors.*

Litigation against our Subsidiaries

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Matters above the materiality threshold of ₹ 10.94 million	3	70.00
Direct tax matters	8	39.04#
Indirect tax matters	20*	131.67
Total	**31**	**240.71**

An amount of ₹ 39.73 million has been paid by SSML in the form of advance tax, TDS or self-assessment tax or is adjusted from MAT credit entitlement of SSML for the assessment years in respect of which the aforesaid matters are pending and accordingly, SSML has received the refund amounts in respect of certain matters.

* Includes one case involving the Company under which penalty has been levied against one of our Directors.

Litigation against our Directors

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Criminal matters	1	Not quantifiable
Indirect tax matters	4	2.00
Total	**5**	**2.00***

* *Includes a case where penalty has not been quantified.*

Litigation against our Promoters

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Criminal matters	1	Not quantifiable
Indirect tax matters	3	1.50
Total	**4**	**1.50***

* *Includes a case where penalty has not been quantified.*

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 285.

Risk factors

Investors should see "*Risk Factors"* beginning on page 23 to have an informed view before making an investment decision.

Summary of contingent liabilities

The details of our contingent liabilities as at December 31, 2018 are set forth in the table below.

Claims/disputes/demands not acknowledged as debts

(*in ₹ million*)

S No.	Particulars	Contingent Liabilities as at December 31, 2018
1.	Sales tax/ VAT liability under dispute/appeal	2.69
2.	Excise duty liability under dispute/ appeal	114.24
3.	Income tax liability under dispute/ appeal	8.58

For further details, see "*Financial Statements- Annexure VI - Notes to the Restated Consolidated Financial Information- Note 33: Contingent liabilities*" beginning on page 218.

Summary of related party transactions

The details of our related party transactions for nine months period ended December 31, 2018, Fiscals 2018, 2017 and 2016 are set forth in the table below.

(*in ₹ million*)

Particulars	December 31, 2018	March 31, 2018	March 31, 2017 (Proforma)	March 31, 2016 (Proforma)
Sale of finished goods				
Shyam Steel Manufacturing Limited	254.84	51.87	4.40	4.36
Branding income				
Shyam Steel Manufacturing Limited	101.32	-	-	-
Interest income				
Shyam Steel Manufacturing Limited	0.75	10.32	1.00	0.28
Purchase of raw materials/ Stock-in-trade				
Shyam Steel Manufacturing Limited	2,054.26	1,657.41	1,297.56	1,699.20
Remuneration				
Mr. Purushottam Beriwala	27.45	31.87	10.65	3.00
Mr. Govind Beriwal	27.45	31.87	10.65	3.00
Mr. Nikunj Beriwal	2.75	2.95	2.76	1.50

Particulars	December 31, 2018	March 31, 2018	March 31, 2017 (Proforma)	March 31, 2016 (Proforma)
Mr. Deepak Chowdhary	1.76	1.98	1.40	-
Mr. Ravi Beriwala	18.38	21.98	10.65	3.00
Mr. Manish Beriwala	34.77	43.94	10.65	3.00
Mr. Brijesh Beriwala	34.91	43.94	10.65	3.00
Mr. Raghav Beriwala	16.47	21.98	10.02	0.35
Mr. Siddharth Beriwala	22.88	31.87	10.02	2.10
Mr. Suket Beriwal	22.88	31.87	9.69	2.10
Ms. Megha Beriwala	0.15	0.90	0.53	-
Ms. Shailja Beriwala	0.68	0.45	0.30	0.90
Mrs. Tulika Beriwal	0.82	1.09	-	-
Mr. Lalit Beriwala	34.77	43.94	10.65	3.00
Mr. Vinay Kumar Singh	2.40	2.68	1.57	-
Ms. Prerna Sharma	-	-	0.71	0.69
Mrs. Sudha Agarwal	-	0.60	-	-
Mr. Tony Paul	1.30	0.96	-	-
Mrs. Lalita Pasari	0.48	0.35	-	-
Investment in Debentures				
Shyamsteel Energy Private Limited	-	12.10	-	337.73
Shyam Steel Manufacturing Limited	-	-	-	100.00
Loan given				
Shyam Steel Manufacturing Limited	-	258.50	-	-
Loan Repaid				
Shyam Steel Manufacturing Limited	-	258.50	-	-
Loan taken				
Mr. Purushottam Beriwala	1.16	3.33	8.32	8.72
Mr. Govind Beriwal	-	6.99	7.32	8.27
Mr. Ravi Beriwala	0.80	5.83	7.21	6.06
Mr. Lalit Beriwala	-	6.13	11.75	12.52
Loan Repaid				
Mr. Purushottam Beriwala	3.58	6.01	7.13	9.07
Mr. Govind Beriwal	2.91	5.89	6.92	9.49
Mr. Ravi Beriwala	1.39	9.05	8.29	8.92
Mr. Lalit Beriwala	1.91	4.65	14.51	11.54
Purchase of Investments				
Shyamsteel Energy Private Limited	-	110.06	-	-
Purchase of land (by Shyam Steel Manufacturing Limited)				
Vaikuntha Tradecom Private Limited	8.23	-	-	-
Advance for purchase of land (by Shyam Steel Manufacturing Limited)				
Vaikuntha Tradecom Private Limited	2.10	3.28	0.62	-
Rent expense				
Mr. Shriram Beriwala	-	-	0.07	0.07
Mr. Shyam Sundar Beriwala	-	-	0.05	0.05
Shree Nivas Buildestates LLP	1.35	1.80	0.90	-
Vasudeo Enclave Private Limited	5.78	0.87	0.12	-
SSB Estate LLP	1.35	1.80	0.90	-
GB Resorts LLP	1.35	1.80	0.90	-
Gunina Tie-Up LLP	1.35	1.80	0.90	-
PB Farm House LLP	1.80	-	-	-
Reimbursement of expense				
SSB Estate LLP	0.03	-	-	-
GB Resorts LLP	0.03	-	-	-
Shyam Mining Private Limited	-	-	-	0.12
Donation				
Beriwala Seva Trust	0.20	110.00	13.00	-
CSR expense				
Beriwala Seva Trust	0.81	12.98	7.08	-

Particulars	December 31, 2018	March 31, 2018	March 31, 2017 (Proforma)	March 31, 2016 (Proforma)
Shyam Steel Foundation Trust	113.00	-	-	-
Director Sitting Fees				
Ms. Komal Surana	-	-	0.10	0.10
Mr. Santinath Sarkar	0.07	0.10	0.10	0.10
Mrs. Rajni Mishra	0.07	0.10	-	-
Sale of Investments				
Ms. Vrinda Beriwala	-	2.41	-	-
Shyamshree Enclave Private Limited	-	0.22	0.21	-
Shyamshree Niketan Private Limited	-	0.30	0.22	-
Shyam Mining Private Limited	-	0.24	1.59	-
Security deposit given				
Vasudeo Enclave Private Limited	1.90	-	-	-
Key Management Personnel compensation				
Short-term employee benefits	153.54	115.16	42.08	14.16
Other long-term employee benefits(1)	32.86	24.04	6.96	0.02

(1) As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable separately, and therefore, not included above.

For further details, see "*Financial Statements - Annexure VI - Notes to the Restated Consolidated Financial Information- Note 37: Related Party Disclosure*" beginning on page 222.

Weighted average price

The weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus are set forth in the table below.

(*in ₹*)

Name	Number of Equity Shares acquired in the last one year preceding the date of this Draft Red Herring Prospectus	Weighted average price*
Promoters		
Purushottam Beriwala	3,272,850	0.22
Govind Beriwal	3,307,250	0.32
Lalit Beriwala	2,189,430	-
Ravi Beriwala	2,189,430	-
Brijesh Beriwala	2,189,430	-
Manish Beriwala	2,314,260	-
Selling Shareholders#		
Shri Ram Beriwala	10,323,760	0.83
Shyam Sunder Beriwala	13,017,400	0.72
Puspa Devi Beriwala	2,904,700	0.45
Bina Beriwala	1,249,650	-
Jyoti Beriwal	1,249,650	-
Manjulata Beriwala	842,580	-
Vineeta Beriwala	842,580	-
Anju Beriwala	842,580	-

\# *Excludes our Promoters, who also form part of the Selling Shareholders.*

* *As certified by M/s J K V S & Co., Chartered Accountants by way of their certificate dated May 30, 2019.*

Average cost of acquisition of Equity Shares

The average cost of acquisition of Equity Shares of our Promoters and Selling Shareholders are set forth in the table below.

(*in ₹*)

Name	Number of Equity Shares	Average cost of acquisition per Equity Share*
Promoters		
Purushottam Beriwala	3,555,800	1.63
Govind Beriwal	3,555,800	1.45

Name	Number of Equity Shares	Average cost of acquisition per Equity Share*
Promoters		
Lalit Beriwala	2,432,700	1.47
Ravi Beriwala	2,432,600	1.43
Brijesh Beriwala	2,432,700	1.58
Manish Beriwala	2,571,400	1.43
Selling Shareholders#		
Shri Ram Beriwala	1,958,400	1.00
Shyam Sunder Beriwala	5,726,000	1.03
Puspa Devi Beriwala	3,083,000	1.00
Bina Beriwala	1,388,500	1.43
Jyoti Beriwal	1,388,500	1.54
Manjulata Beriwala	936,200	1.32
Vineeta Beriwala	936,200	1.48
Anju Beriwala	936,200	1.00

\# *Excludes our Promoters, who also form part of the Selling Shareholders.*

* *As certified by M/s J K V S & Co., Chartered Accountants by way of their certificate dated May 30, 2019.*

Issue of Equity Shares for consideration other than cash in the last one year

Details of issue of Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Red Herring Prospectus are set forth in the table below.

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment
May 16, 2019	Allotment made to 20 allottees(1)	55,800,000	10	N.A.	Bonus issue in the ratio of 9:1

(1) *For details of the names of allottees, see "Capital Structure - Notes to the capital structure - Equity Share capital history of our Company – Allotment made on May 16, 2019, beginning on pages 60-61"*

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and to the "U.S.", "US", "USA" or "United States" are to the United States of America.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless the context requires otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless otherwise stated or context requires otherwise, the financial data included in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information.

The Restated Consolidated Financial Information (a) for the nine months period ended December 31, 2018 and for the Fiscals ended 2018, 2017, 2016 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, to the extent applicable, and each have been restated in accordance with the SEBI ICDR Regulations.

The Restated Consolidated Financial Information have been compiled from (i) our audited and consolidated financial statements for the nine months period ended December 31, 2018 prepared under Ind AS; (ii) our audited and consolidated financial statements for the Fiscals 2018, 2017 and 2016 prepared under previous generally accepted accounting principles (Indian GAAP) adjusted in conformity with Ind AS. The proforma financial information of our Company (on a consolidated basis) for the Fiscals 2017 and 2016, have been prepared in accordance with requirements of SEBI Circular. This proforma Ind AS financial information has been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the Fiscals 2017 and 2016.

There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition*" on page 39. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals, including percentage figures, have been rounded off to the second decimal.

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Unless the context requires otherwise, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23, 124 and 255, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States; and
- "Euro" or "€" are to Euro, the official currency of the European Union.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(in ₹)

Currency	March 31, 2019*	December 31, 2018*	As on March 31, 2018*	As on March 31, 2017	As on March 31, 2016
1 USD	69.17	69.79	65.04	64.84	66.33
1 Euro	77.70	79.78	80.62	69.25	75.10

Source: RBI Reference Rate and www.fbil.org.in, for USD and Euro

* *In case of March 31st or December 31st falling on a holiday, preceding working day RBI rate available has been taken*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the CRISIL Report, which has been commissioned by our Company from CRISIL. For risks in relation to commissioned reports, see "*Risk Factors – We have commissioned industry reports from certain agencies, which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us*" beginning on page 35.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the Book Running Lead Managers, or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

In accordance with the SEBI ICDR Regulations, "*Basis for the Issue Price*" on page 82 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Managers have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 23. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains data and statistics from certain reports and the CRISIL Report, which is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL undertakes no responsibility to update the contents of the Report for any changes which may take place post the date of issuance of this Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard.*

Shyam Steel Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans, prospects or goals are also forward-looking statements. Moreover, all forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results of operations may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the steel sector and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our Company's exposure to market risks, general economic and political conditions in India which have an impact on our Company's business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry we operate in.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations;
- Our Company may undertake in the future, strategic acquisitions, which may be difficult to integrate, and may end up being unsuccessful;
- Our inability to expand or effectively manage our service providers including our distributors and dealers, or any disruptions in our distribution and dealer network may have an adverse effect on our business, results of operations and financial condition;
- Our operations have significant raw material requirements in the form of coal and iron ore, and we may not be able to ensure the availability of coal and iron ore for our operations at competitive prices and in a timely manner, which could have an adverse effect on our business, financial condition, results of operations and prospects; and
- Steel Manufacturing Plants involve hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment, which could result in incurring material liabilities, loss of revenues and increased expenses.

For further details, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23, 124, and 255, respectively. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the Book Running Lead Managers, the Syndicate Members nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations and as prescribed under applicable law, our Company will ensure that investors are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with requirements of SEBI and as prescribed under applicable law, the Selling Shareholders, severally and not jointly, shall ensure that they will keep the Company and Book Running Lead Managers informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by the Selling Shareholders in relation to themselves and the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. You should read this section together with "Industry Overview", "Our Business", "Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Draft Red Herring Prospectus. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

Prospective investors should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise indicated, all financial information included herein are based on our Restated Consolidated Financial Information. For further details, see "Financial Statements" beginning on page 171.

Internal Risk Factors

Risks relating to our business

1. ***We have experienced growth in the previous years on account of expansion in customer base and increased production capacities of our Steel Manufacturing Plants, which may not recur in the future and accordingly, our revenues may decline and we may be unable to sustain our profitability and thus, our historical financials as included in this Draft Red Herring Prospectus may not be comparable for future results.***

   We have experienced a steady growth in the previous years on account of expansion in customer base in the retail and institutional segment along with an increase in production capacities of our Steel Manufacturing Plants through backward integration and de-bottlenecking. There can be no assurance that we will be able to continue to expand our customer base and increase production capacities in the future and the absence of such positive contributing factors, may have an adverse impact on our growth and profitability as compared to past periods.

   Conditions such as decline in our retail and institutional customer base and decrease in the production capacities of our Steel Manufacturing Plants may have an impact on our revenue and financial condition. For instance, in Fiscal 2013, owing to low demand, fluctuation in prices of steel products and low presence in the retail sector, our production capacities were not optimally utilized resulting in losses. Absence of favourable factors may have an adverse impact on our growth and profitability in future as compared to past periods.

   Owing to a decline in revenue, we may not be able to maintain profitability and may incur losses in the future. Accordingly, our future results of operations, financial conditions, including growth in profitability, may not be comparable to the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus and any reliance placed on the same should be accordingly limited.

2. ***The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations.***

   The steel industry is cyclical in nature. Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material inputs, climatic changes, fluctuations in domestic and international demand and supply of steel and steel products, worldwide production and capacity, fluctuation in the volume of steel imports, transportation costs and protective trade measures, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the construction, infrastructure development and transportation, which are among the biggest consumers of steel products. In the last few Fiscals, our focus on Retail Customers has helped us deliver consistent financial performance despite adverse conditions in the steel sector, in circumstances where a downturn occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in our product prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects. We also face low demand during the monsoon season due to decreased construction activities.

While steel prices have increased in recent years, they have been subject to fluctuation. Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

3. Our Company may undertake strategic acquisition in the future, which may be difficult to integrate, and may end up being unsuccessful.

We have undertaken acquisitions of financially stressed companies like Shreegopal Hi-Tech Private Limited (*now amalgamated with our Company*) in Fiscal 2008 for focusing on the retail segment, and SSML in Fiscal 2011.

We may expand the production capacities of our Steel Manufacturing Plants in the future by acquisitions. However, our ability to achieve the benefits we anticipate from future acquisitions will depend upon whether we will be able to integrate the acquired businesses with the rest of our Company in an efficient and effective manner.

Currently, many companies, including the companies in the steel industry, are undergoing corporate insolvency resolutions under the IBC regime. We may, in the future, bid for such companies based on, *inter alia*, publicly available information, information provided to us under the bidding process and our deep domain knowledge of the steel industry. Such acquisitions may require our Company to incur or assume substantial new debt, expose it to funding obligations and expose it to integration risks, and we cannot assure prospective investors that such acquisitions will contribute to our profitability. We may also not be in a position to acquire the desired businesses under the IBC regime owing to increased competition in the steel industry, or where the target has incurred any significant past liability or where the acquisition costs are significantly higher.

The failure to successfully integrate an acquired business either undergoing corporate insolvency or otherwise or the inability to realize the anticipated benefits of such acquisitions or failure to acquire desired business, could materially and adversely affect our Company's growth, business, results of operations, financial conditions and prospects.

4. Our Company, certain of our Directors, Promoters and Subsidiaries are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, financial condition and results of operations.

Our Company, certain of our Directors, Promoters and Subsidiaries are involved in certain legal proceedings. These proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to (i) criminal matters; (ii) direct tax matters; (iii) indirect tax matters; (iv) actions by regulatory/ statutory authorities; and (v) matters based on the materiality policy adopted by our Board, involving our Company, Directors, Promoters and Subsidiaries, and summary of disciplinary actions including penalties imposed by SEBI or any stock exchanges against our Promoters in the last five fiscals, as on the date of this Draft Red Herring Prospectus have been set out below.

Litigation against our Company

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Direct tax matters	8	407.89#
Indirect tax matters	20*	92.23
Total	**28**	500.12

 # An amount of ₹ 429.42 million has been paid by our Company in the form of advance tax, TDS or self-assessment tax or is adjusted from MAT credit entitlement of our Company for the assessment years in respect of which the aforesaid matters are pending and accordingly, our Company has received the refund amounts in respect of certain matters.

* *Includes three cases under which penalty has been levied against our Directors.*

Litigation against our Subsidiaries

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Matters above the materiality threshold of ₹ 10.94	3	70.00
Direct tax matters	8	39.04#
Indirect tax matters	20*	131.67
Total	**31**	**240.71**

An amount of ₹ 39.73 million has been paid by SSML in the form of advance tax, TDS or self-assessment tax or is adjusted from MAT credit entitlement of SSML for the assessment years in respect of which the aforesaid matters are pending and accordingly, SSML has received the refund amounts in respect of certain matters.

**Includes one case involving the Company under which penalty has been levied against one of our Directors.*

Litigation against our Directors

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Criminal matters	1	Not quantifiable
Indirect tax matters	4	2.00
Total	**5**	**2.00***

* *Includes a case where penalty has not been quantified*

Litigation against our Promoters

Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Criminal matters	1	Not quantifiable
Indirect tax matters	3	1.50
Total	**4**	**1.50***

* *Includes a case where penalty has not been quantified*

In relation to the outstanding litigation matters mentioned above, while the amounts involved in these matters have been disclosed, the interest involved in such litigations may not be ascertainable or quantifiable at this stage and hence not disclosed. For further details of outstanding litigation involving our Company, Directors, Promoters and Subsidiaries, see "*Outstanding Litigation and Material Developments*" beginning on page 285.

Further, such legal proceedings could divert management's time and attention and consume financial resources. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, Directors, Promoters and Subsidiaries, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

5. ***Steel Manufacturing Plants involve hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment, which could result in incurring material liabilities, loss of revenues and increased expenses.***

Owing to the risks associated with the steel manufacturing process carried out at the steel plants, the steel plants are prone to accidents which may involve moving machinery, on-site transport, forklifts and overhead cranes, fires in control rooms, electrical switch rooms, fires caused by contact of molten metal in the induction furnaces, hot billets in reheating, spills and spattering of molten materials, extreme temperatures, vibration and noise and exposure to, through inhalation or contact with, hazardous chemicals including acids, ammonia, asbestos, carbon monoxide etc. Occurrence of any accidents may result in destruction of property and equipment, injuries and even fatalities to employees (including contract labour) interrupting our operations, damaging our reputation and brand name. We have continuously in the past taken efforts to monitor, safeguard and strengthen safety measures and reduce accidents at our Steel Manufacturing Plants. However, there have been instances in the past where fatal accidents had occurred at the Mejia Plant (Fiscal 2019) and the Angadpur Plant (Fiscal 2016), wherein the relevant authorities had levied penalty on the occupier and the factory manager for an aggregate amount of ₹ 0.05 million and ₹ 0.09 million, respectively, for alleged contravention of section 92 of the Factories Act, 1984.

Our aggrieved employees, members of the public or government authorities may bring claims or initiate criminal proceedings/public interest litigation, class action against us and/or our Directors in relation to accidents at our Steel Manufacturing Plants. If it is determined by the appropriate authorities that provisions and measures for safety within our premises are inadequate or non-compliant of stipulated guidelines/directions, the licenses granted to us for operations at such premises may be revoked or suspended, thereby adversely affecting our business, operations financial condition and results of operations.

6. ***Our inability to expand or effectively manage our service providers including our distributors and dealers, or any disruptions in our distribution and dealer network may have an adverse effect on our business, results of operations and financial condition.***

In respect of retail segment, we typically enter into definitive agreements with our distributors and other service providers to further our day-to-day business operations for selling TMT Rebar. Our ability to increase our market outreach significantly depends on our ability to expand and effectively manage our dealer distribution network and procure favourable agreements with our service providers on acceptable pricing terms. Although we generally endeavour to obtain favorable pricing terms in arrangements and contracts when engaging with our service providers, market conditions at the time of negotiating such contracts and arrangements may result in us accepting less favourable pricing terms. In addition to such definitive agreements, a failure to renew the transportation agreements entered into by us may have an impact on the transportation of our goods and a disruption in the transportation of our products to our dealers and distributors.

We sell our products in the retail segment through a well-established and effectively managed dealer distribution network. As on March 31, 2019, we have a strong dealer distribution network comprising over 1,762 dealers and 50 distributors spread across the northern and eastern parts of India. We believe that our well established dealer distribution network along with robust Retail CRM allows us to successfully track the requirement of TMT Rebar in each district thereby increasing our revenue and expanding our market presence. There is no assurance that we will be able to maintain our existing dealer distribution network or successfully engage new dealer and distributors in the future. Owing to constant competition, we may be unable to enter into favorable terms with our dealers and distributors leading to a decline or stagnation of our dealer distribution network. Any disruption in our supply chain dynamics, or reduction or cancellation of purchase orders from our dealers, distributors or our customers at any point in time, or failure in appointing new distributors or dealers, or termination or non-renewal of distribution agreements by the distributors, could reduce our revenue stream having a material adverse effect on our operations and financial condition.

7. ***Our manufacturing plants are geographically concentrated in West Bengal. Consequently, we are exposed to risks from economic, regulatory and other developments in the eastern region which could have an adverse effect on our business, results of operations and financial condition.***

All our Steel Manufacturing Plants are located in the state of West Bengal. The economic and regulatory condition in West Bengal may be affected by various factors outside our control, including prevailing local, social and economic conditions, changes in the applicable governmental regulations, demographic trends, changes in regulations governing employment of labourers, fluctuation in the income levels and interest rates, among other factors.

Further, since our Steel Manufacturing Plants are concentrated in West Bengal any political disruption, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate in West Bengal, could adversely affect our business operations or strategy. There is no assurance that such disruption in business operations would not bring any hindrance in the functioning of our Steel Manufacturing Plants. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting the steel industry in West Bengal.

8. ***We are dependent on our Steel Manufacturing Plants, and any loss, or shutdown, or under-utilization of the production capacities of our Steel Manufacturing Plants may have an adverse effect on our business, financial condition and results of operations.***

Our Steel Manufacturing Plants are subject to operational risks such as the breakdown or failure of equipment, power supply or processes, lack of raw materials performance below expected levels of output or efficiency, obsolescence, production outages, natural disasters, industrial accidents and the need to comply with new directives of the relevant government authorities. We may be required to shut down our Steel Manufacturing Plants, from time to time, for capacity expansions, enhancements and equipment upgrades. We have enhanced the production capacities at our Steel Manufacturing Plants in the past and we seek to maintain high capacity utilization at each of our Steel Manufacturing Plants. However, there is no assurance that we will be able to utilize the production capacities of our Steel Manufacturing Plants to the fullest. For instance, in Fiscal 2013, owing to low demand, fluctuation in prices of steel products and low presence in the retail sector, our production capacities were not optimally utilized resulting in losses. Moreover, any disruptions in the operations of our Steel Manufacturing Plants, technical or otherwise, may have a material adverse impact on our business, financial condition and results of operations.

While we take precautions to minimize the risk of any significant operational problems at our Steel Manufacturing Plants, there can be no assurance that our business, financial condition and results of operations will not be adversely affected by disruptions caused by operational problems at our Steel Manufacturing Plants.

9. ***Our operations have significant raw material requirements in the form of coal and iron ore, and we may not be able to ensure the availability of coal and iron ore for our operations at competitive prices and in a timely manner, which could have an adverse effect on our business, financial condition, results of operations and prospects.***

We are into the business of Steel Manufacturing Products. We operate our Steel Manufacturing Plants and two captive power plants in West Bengal that are heavily dependent on iron ore and coal as a raw material. Since we do not own any captive mine, we have entered into long-term coal linkage agreements and supply agreements for procurement of coal. We also procure iron ore and coal on spot basis from the open market.

Though we maintain our inventory of raw materials to avoid situations of irregular supply, we cannot assure you that we would be able to procure sufficient quantities of raw materials on a continuous basis for carrying out our operations. The availability and prices of raw materials may also be negatively affected by, among other factors, new laws or regulations; number of available suppliers, suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; demand and supply of raw materials; the bargaining power of raw material suppliers and the availability and cost of transportation. However, we typically undertake purchase of our some raw materials in bulk when they are processed at a lower level.

If, for any reason, we are unable to procure sufficient coal and iron ore of requisite quantity and quality, and at acceptable prices, it could disrupt our production of steel, delay our delivery cycle leading to breach of contractual arrangement with our customers, increase our production costs or reduce our production volumes. Where the prices of raw materials rise significantly, we may not be able to realize such additional costs from our customers due to various factors including the demand and supply dynamics and competition in the market. Further, the raw materials require to be of a certain quality. Whilst we avoid undertaking purchase of some of our critical raw materials in monsoon to ensure quality, in the event we do not adhere to the quality control processes, we may have to recall our products or face product liability claims if our products do not meet our customers' expectation, thereby having an adverse impact on our business, results of operations and financial position. Unavailability of raw materials of desired quality or increase in price of raw materials would have a material adverse effect on our business and operations, financial condition, results of operations and prospects.

10. ***If we are unable to successfully implement our proposed expansion plans, our results of operations and financial condition could be adversely affected*.**

As part of our long term strategy of organic expansion and integrated operation, we have, in the last five Fiscals, undertaken expansion in production capacities of sponge iron, SMS and rolling mills at our Steel Manufacturing Plants such as (i) setting up 200,000 MTPA rolling mill in the Mejia Plant in Fiscal 2019; (ii) expansion of rolling mill up to 30,000 MTPA in the Gopalpur Plant in Fiscal 2019.

Subject to receipt of necessary approvals and compliance of terms and conditions, project assessment, feasibility and funding, we intend to further augment our aggregate iron and steel production capacity from 1,584,656 MTPA to 2,294,156 MTPA with captive power plant from 25 MW to 61 MW, by undertaking certain expansion activities at the Mejia Plant. The Ministry of Environment Forest and Climate Change, Government of India ("**MOEF**"), vide its letter dated May 24, 2019, has issued environmental clearance for our proposed plan for expansion of installed iron and steel capacity of Mejia Plant up to 1,401,900 MTPA, with captive power plant of 51 MW. For further details, see "*Our Business — Our Strategies – Continue to focus on backward integration and organic and selective inorganic expansion*" on page 129.

Our such expansion plan, to the extent that it proceeds, would involve risks, including risks associated with the timely and successful completion of such expansion, and our failure to adequately manage these risks notwithstanding our upgraded operational and financial systems, procedures and controls could have a material adverse effect on our business expansion, financial condition, results of operations and prospects. Factors that could affect our ability to complete the expansion plan include obtaining the necessary regulatory approvals and licenses, completing the plan / civil construction, receiving financing as per the proposed expansion plan, financing terms not being reasonable, receiving the machineries of desired quality and on scheduled time, a decline in demand for our products and general economic conditions.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to successfully implement or effectively manage our expansion may lead to increased costs, loss of investment and reduced profitability and may adversely affect our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans. Further, there can be no assurance that we will be able to execute our strategies on time and within the budget estimated by our Company.

11. Our Company had made an allotment of non-cumulative preference shares in 2003 that was not in compliance with Section 67(3) of the Companies Act, 1956.

Our Company had, by way of preferential allotment, allotted 450,000 non-cumulative preference shares (“**Convertible Preference Shares**”) to 58 persons (the “**Original Allottees**”) on March 29, 2003 (the “**Stated Allotment**”) at price of ₹100 (₹ 10 face value with a premium of ₹ 90) per Convertible Preference Share which was not in compliance with the then applicable laws relating to a private placement of securities. The Original Allottees have, since March 29, 2003, converted the Convertible Preference Shares into Equity Shares (the “**Resultant Equity Shares**”) and transferred to other individuals. As on November 20, 2018, the date of the invitation to offer, the Resultant Equity Shares were held by Manju Lata Beriwala, Bina Beriwala, Vineeta Beriwala, Manish Beriwala, Jyoti Beriwal, Shyam Sunder Beriwala and Brijesh Beriwala, of which Manish Beriwala and Brijesh Beriwala are Promoters of our Company. Under the first proviso to Section 67(3) of the Companies Act, 1956, any offer or invitation for subscription of shares made to more than 49 persons was deemed to be a public offer, which triggered compliances under the Companies Act and the framework prescribed in this regard by SEBI.

For further details of the Stated Allotment, see *“Capital Structure - Notes to the capital structure - Preference Share capital history of our Company – Allotment made on March 29, 2003”* beginning on pages 61-62. Pursuant to a press release dated November 30, 2015 and circulars dated December 31, 2015 and May 3, 2016 (collectively, the “**SEBI Circulars**”), SEBI has provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a fiscal year may avoid penal action subject to fulfilment of certain conditions. These conditions include the provision of an option to the current holders of the equity shares allotted to surrender such equity shares at an exit price not less than the amount of subscription money paid along with 15% interest per annum or such higher return as promised to investors. Based on the SEBI Circulars, in good faith and in the interest of the Eligible Equity Shareholders (*as defined hereinafter*) of our Company, our Board by a resolution dated November 16, 2018, authorised Purushottam Beriwala, Govind Beriwal, Lalit Beriwala and Ravi Beriwala (the “**Purchasers**”), certain of our Promoters, to provide Manju Lata Beriwala, Bina Beriwala, Vineeta Beriwala, Jyoti Beriwal, Shyam Sunder Beriwala, Manish Beriwala and Brijesh Beriwala (the “**Eligible Equity Shareholders**”) an option to surrender their Resultant Equity Shares.

Subsequently, an invitation was issued through letters dated November 20, 2018 to all the Eligible Equity Shareholders to offer all Resultant Equity Shares held by them on the record date for sale to our Promoters at a purchase price calculated in accordance with the SEBI Circulars (“**Exit Offer**”). The Eligible Equity Shareholders had not participated in the Exit Offer.

Our Company had also e-filed a compounding application dated December 6, 2018 with the National Company Law Tribunal, Kolkata Bench, through the RoC, under Section 441 of the Companies Act, 2013, seeking to compound the above provision of the Companies Act, 1956, on the ground that the non-compliance of the Companies Act, 1956 was unintentional and inadvertent. There is no assurance that the RoC/National Company Law Tribunal, Kolkata Bench will compound the above provision of the Companies Act, 1956. There can be no assurance that the SEBI or any other regulatory authority or court will not take any action or initiate proceedings against our Company, Promoters, Directors and other officers in respect of the Stated Allotments in the future. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences, including adjudicatory penalties, criminal sanctions or additional remedial measures, and could have a material adverse effect on our business, finances and results of operations, as well as on our reputation.

12. Our Retail Customers are concentrated in eastern and north-eastern regions of India and a loss of or a significant decrease in business from our Retail Customers could adversely affect our business and profitability.

Our customers in the retail segment are concentrated in the eastern and north-eastern regions of India. During the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016, sale to Retail Customers constituted 57.72%, 55.91%, 47.33% and 50.21%, respectively, of our total revenue from sale of TMT Rebar and allied products. Our presence in the retail segment is significantly dependent on our ability to maintain our established track record of delivering quality TMT Rebar, maintaining strong brand recognition and the effective management of our well established dealer distribution network and Retail CRM. Our Company is one of the premium brands recognised in India for TMT Rebar (source: CRISIL Report). We believe that this is on account of our continuous focus on building our brand “SHYAM”. Any disruption of our brand image could lead to a decline in our Retail Customers thereby affecting sales from the retail segment. Owing to the regional concentration of our Retail Customers in the eastern and north-eastern regions of India, if we are unable to effectively manage our distributors and dealers and our Retail CRM or if there is drop in demand in these regions, it would lead to decline in the sales from the retail segment, which would adversely affect our revenue stream thereby affecting our profitability and financial condition.

Further, fluctuations in the retail segment also have a significant impact on the demand of our products. There is no assurance that we will be able to consistently maintain our Retail Customer base. If one or a combination of the foregoing factors were to arise, our business, financial condition and profitability could be adversely affected.

13. Our business in the institutional segment is heavily dependent on our Company being empanelled as an approved supplier by government entities for government projects. Further, we may face the risk in case of our empanelment and approvals are rejected by Institutional Customers. Any such termination of our empanelment as an approved supplier may have an adverse impact our revenue and financial condition.

In the institutional space, our Company is one of the few approved suppliers for key government departments such as NHAI, state governments, military engineering services and Indian Railways amongst others (source: CRISIL Report). In the institutional segment, we sell quality TMT Rebar through our Institutional Customers for projects of large government entities including public sector undertakings, National Highway Authority of India ("**NHAI**"), railways, military engineer services, Nuclear Power Corporation of India ("**NPCI**") and various state governments.

There is no assurance that we will continue to be empanelled as approved suppliers by government entities for such existing or future government projects. Further, our ability to be empanelled as approved supplier is dependent on certain conditions. For instance, a failure to comply with conditions under the empanelment certificate including a decline in quality of TMT Rebar required, failure in storing and protecting the steel as per required specifications, failure in renewing the BIS and other accreditations on time, may lead to termination of our empanelment by the government entities. Further, our revenue from the institutional segment is also dependent on our Company being chosen as the supplier from the few empanelled suppliers.

Any such termination or cancellation of our empanelment by government entities may have an adverse impact our revenue and financial condition.

14. Any change in government policies may impact the growth of the infrastructure sector leading to a decline in sales from the institutional segment adversely affecting our business, prospects and results of operations.

Our business operations are dependent on favourable government policies and spending of the government in the infrastructure sector. For instance, we believe that the launch of affordable housing scheme PMAY Gramin and PMAY Urban (Housing for All-HFA) will increase the demand of steel products in general. Any unfavourable change in the existing policy of the government towards the infrastructure sector such as reduced expenditure in the infrastructure segment, or delay in implementation of the infrastructure projects sanctioned may result in decreased demand of steel products in the institutional segment. Any such unfavourable changes and the related uncertainties with respect to the government policies may adversely affect our business, results of operations and financial condition.

15. Inability to obtain, renew or maintain the material statutory and regulatory permits, licenses and approvals required to operate our business could have a material adverse effect on our business.

We require certain licenses and approvals for conducting our business. Additionally, in the future, we may be required to renew such permits and approvals and obtain new permits and approvals for our operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Our permits and approvals are subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to incur substantial expenditure. Failure by us to renew, maintain or obtain such material permits or approvals or comply with conditions thereof may lead to imposition of penalties, or result in the interruption of our operations, suspension and revocation or permits and licenses, which may and may have a material adverse effect on our business and operations, financial condition and results of operations. For instance, applications made by our Company in respect of renewal of factory licence and application for consent to operate for enhancement of capacity of SMS unit are pending. In addition, applications in respect of shops and establishments' registartions and renewal of certain trade licences are also pending. For further details on such pending material approvals, see "*Government and Other Approvals*" on page 294. There is no assurance that the Government may not implement new regulations which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations.

16. We have entered into and in future, shall continue to enter into, related party transactions in the ordinary course of our business on an arm's length basis.

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include certain of our Promoters, Promoter Group, Directors, Key Managerial Personnel and Group Companies. For further details in relation to our related party transactions, see "*Financials Statements - Annexure VI– Note 37 - Related Party Transaction*" beginning on page 222. While we have entered into such transactions on an arm's length basis, there is no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

17. Our inability to successfully diversify our business may adversely affect our growth and negatively impact our profitability.

We are one of the premium branded TMT Rebar players in India having integrated steel plants and enjoying a strong brand identity and recall amongst end customers (source: CRISIL Report). We have derived 75.97%, 71.82%, 72.17% and 79.25% of our revenue from sale of products for TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016. With the opportunities available in the market from time to time, we may diversify our business operations and enter into new line of business. We may enter into joint venture agreements or other similar arrangements with other parties for the purpose of bidding for a project. Venturing into a new line of business may require new methods of operations and marketing and financial strategies, different from those currently employed in our Company. The new line of business we enter into, may require us to obtain new licenses and approvals. There is no assurance that we would be able to obtain such approvals and licenses.

For instance, we have been recently awarded three projects involving construction of sub-station and transmission lines on turnkey basis by the Madhya Pradesh Power Transmission Company Limited through our separate joint venture with Siddhartha Engineering, Bhubaneshwar and consortiums formed with EMC Limited in which we are the lead partner. The aggregate contract value of the three construction projects awarded to us in the electricity transmission and distribution segment is ₹ 2,606.50 million. There is no assurance that we will be able to efficiently and successfully complete the project while maintaining consistent growth with our present line of business. Any failure in the development or implementation of new line of business is likely to adversely affect our business, results of operations and cash flows and may have an impact on our profitability. Further, there is no assurance that we will be able to successfully develop our new line of business.

Further, we will be subject to the risks generally associated with new business, including unproven know-how, unreliable technology, inexperienced staff, diversion of management attention from core business and delays in the execution of projects and possible defects in products.

18. ***Developments in the competitive environment in the steel industry, such as expansion in production capacity of our competitors, consolidation among our competitors, could have a material adverse effect on our competitive position and hence our business, financial condition, results of operations or prospects.***

We are one of the premium branded TMT Rebar players in India having integrated steel plants and enjoying a strong brand identity and recall amongst end customers (source: CRISIL Report). We have derived 75.97%, 71.82%, 72.17% and 79.25% of our revenue from sale of products for TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016. Owing to the competitive nature of the steel industry, we compete with various steel producers, who manufacture wide range of steel products. We do not enter into long term contracts with our customers, therefore, any substitution of TMT Rebar with that of our competitors would lead to a decline in our customers thereby affecting our revenue.

Some of our competitors have increased their production capacities over the years and may have an edge over us due to various factors, such as easy access to raw materials, greater economies of scale, more number of integrated manufacturing units and greater presence in certain markets. We believe we can compete with our competitors, however, we are not in a position to guarantee that we will be able to effectively compete and maintain our market share. Our ability to maintain and increase our market share in the competitive market depends on various factors such as, our effective marketing initiatives, our ability to enhance our production capacity and improve our manufacturing process, expansion of our product portfolio and adapt to changes in technology and customer requirements. If we fail in competing and maintaining the market share of our products, the same could have a material adverse effect on our financial condition, business and prospects.

We operate in an extremely competitive environment, therefore, we may also face competition from new companies that are emerging which may attempt to obtain a share in our existing markets. Our competitors may also resort to acquisitions, mergers, and investments in product development and capacity expansion in the future. If the trend towards consolidation continues, we may be placed in a disadvantageous competitive position relative to other companies in the industry and our business, results of operations, financial condition and prospects could be materially and adversely affected.

19. ***Certain of our debt financing agreements contain restrictive covenants that may adversely affect our business, credit ratings, prospects, results of operations and financial condition.***

As on March 31, 2019, the aggregate outstanding borrowings of our Company and our Subsidiaries is ₹ 1,946.24 million. Certain debt financing agreements that we have entered into contain restrictive covenants and/or events of default that limit our ability to undertake certain types of transactions. Certain of our debt financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions, including making investments, availing further borrowings, alteration of capital structure, merging, amalgamating or consolidating with any other company, issuing additional securities, transferring any controlling interest or making any drastic change in management set-up and issuing guarantees, among others. These debt financing agreements also require us to maintain certain financial covenants including debt to equity ratios, interest coverage ratios and certain other liquidity ratios and solvency ratios as well create security in favour of the lenders.

For instance, under certain of our debt financing agreements, our Promoters are required to pledge certain Equity Shares in favour of certain lenders. The Equity Shares held by our Promoters and one of our Promoter Group members, which were previously pledged in favour of the lenders have been released and none of the Equity Shares held by our Promoters and Promoter Group are pledged as on the date of this Draft Red Herring Prospectus. However, post listing and commencement of trading of Equity Shares, certain Equity Shares of our Promoter and Promoter Group, may be required to be re-pledged in favour of the lenders. While the minimum promoters' contribution shall not be subject to pledge as prescribed under the SEBI ICDR Regulations, our Company may have to create additional security in lieu of pledge of the Equity Shares of our Promoters. In the event, we are not able to re-pledge the Equity Shares of our Promoters in favour of the lenders or create any other additional security, we cannot assure you whether this may lead to the termination of our debt financing agreements or accelerate the amounts due under such agreements. Further, post listing and commencement of trading of Equity Shares and pledge of the aforesaid Equity Shares, any default under the debt financing arrangements pursuant to which these Equity Shares would be pledged will entitle the pledgee to enforce the pledge over these Equity Shares. If this happens, the shareholding of the Promoter and Promoter Group may be diluted.

We cannot assure you that we will be able to comply with all such restrictive covenants in the future. A failure to observe the covenants under our debt financing agreements including such restrictive covenants and covenants on repayment/prepayment, to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of default interest and acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Further, any invocation of corporate guarantee issued by our Company for the loans availed by our Subsidiary, Shyam Steel Manufacturing Limited, could materially and adversely affect our financial condition. Any acceleration of amounts due under such debt financing agreements may also trigger cross-default or cross-acceleration provisions under our other debt financing agreements. For instance, in the event of certain defaults under the financing documents entered into with State Bank of India, State Bank of India may sell the Equity Shares that may be pledged to them, post completion of listing of the Equity Shares and lock-in period prescribed under the SEBI ICDR Regulations, thereby diluting the shareholding of our Promoters. As a consequence, we may face certain impediments in taking decisions on certain key, strategic matters involving our Company and may not be able to conduct our business or implement our strategies as currently planned, which may adversely affect our business and financial condition. Such sale of Equity Shares may also result in the price of the Equity Shares being adversely impacted.

If the obligations under any of our debt financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such debt financing agreements, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise further financing. In addition, in such eventuality, other third parties may have concerns over our financial position. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

20. Relevant copies of educational qualification of one of our Directors are not traceable.

Relevant copies of the educational qualifications of one of our Directors are not traceable. While such Director has filed an application with the relevant university seeking copies of educational qualifications, he has not received any revert from university. We cannot assure you that the relevant copies of the educational qualifications will be available in a timely manner or at all.

21. The steel industry is characterized by high degree of fixed costs with long gestation periods, which exposes our production of steel substantial price volatility. Further, overcapacity and oversupply in the global steel industry may adversely affect our profitability.

We operate our Steel Manufacturing Plants in West Bengal. As on March 31, 2019, we have an aggregate installed iron and steel production capacity of 1,584,656 MTPA, including an installed TMT Rebar production capacity of 641,960 MTPA. The production of steel is capital intensive, with a high proportion of fixed costs to total costs. We seek to maintain high capacity utilization at each of our Steel Manufacturing Plants. Where capacity exceeds demand in the market, there is a tendency for the prices of the steel products to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity may be brought on line as quickly. With increasing interest costs and high proportion of fixed costs to total costs leading to low-margins, the steel industry is faced with long gestation periods.

While we have taken steps to reduce operating costs in the past, we may be affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses. For instance, in Fiscal 2013, owing to low demand and fluctuation in prices of steel products, our production capacities were not optimally utilized resulting in losses. Moreover, we cannot assure you that we would be able to achieve economies of scale by efficiently carrying out our operations. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets which would likely lead to reduced profit margins for steel producers, and would also likely have a negative effect on our ability to increase iron and steel production in general. Our ability to recover the fixed costs incurred and reduce the period of gestation, depends on, among other factors, market demand and supply, new laws or regulations, developments in technology, retention of our customers, consolidation of our competitors, wars, natural disasters and other similar events and fluctuations in exchange rates. There can be no assurance that we will be able to continue to compete in such an economic environment or that a prolonged stagnation of the global economy or production overcapacity will not have a material adverse effect on our business, results of operations, financial condition or prospects.

22. Labour problems or violation of any labour laws to which we are subject to, may have an adverse effect on our business, financial condition and results of operations.

While we consider our current labour relations to be good, and we have measures in place aimed at maintaining balanced employee relations, there can be no assurance that we will not experience future disruptions in our operations due to disputes, strikes, work stoppages, work slow-downs or lockouts at our Steel Manufacturing Plants. Moreover, we are subject to stringent labour laws, and any violation of these laws may lead regulators or other authorities to order a suspension of certain or all of our operations. Any of the foregoing may adversely affect our business and results of operations.

23. Our success depends on the continued services of our senior management team.

Our success and growth depend on the continued services of our senior management team. Certain of our senior management has over three decades of extensive experience in the steel manufacturing industry and in-depth knowledge of various aspects of our business operations. There can be no assurance that any executive Director or member of senior management will continue in his or her present position, or that we will be able to find and hire a suitable replacement if any of them retires or joins a competing company. Further, owing to our steady growth and business expansion plans, we need to employ, train and retain additional suitable skilled and qualified management and employees. If we cannot attract and retain suitable personnel, our business and future growth may be materially and adversely affected.

24. We will continue to be controlled by our Promoters and Promoter Group after the completion of the Issue.

As of the date of this Draft Red Herring Prospectus, our Promoters and certain members of our Promoter Group hold 92.93% of the issued, subscribed and paid-up equity share capital of our Company. Upon completion of the Issue, our Promoters and certain members of our Promoter Group will own [●] % of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Board or shareholders for approval. After the Issue, our Promoters and certain members of our Promoter Group will continue to exercise significant control or exert significant influence over our business and major policy decisions.

Accordingly, the interests of our Promoters and certain members of our Promoter Group in capacity as shareholders of our Company may conflict with your interests and the interest of other shareholders of our Company.

25. Our operations are being conducted on leased and owned premises. Our failure to renew these leases, obtain new leases or pay higher rental fees under these leases could negatively impact our operations.

We conduct our operations on premises that are either owned or leased from third parties, including government entities. From time to time, such leases come up for renewal, and a non-renewal of such lease agreements could disrupt our operations. For instance, the lease deed of our Registered Office and Corporate Office is valid till March 31, 2021. The non-renewal of the lease may result in temporary disruption in our operations. Where these leases are not renewed, or renegotiated on terms that are less advantageous to us, no leases are made available to us, or royalties charged against our leases are increased, we may be forced to pay higher rental fees or royalties under these leases or in some cases relocate assets on leased land.

Given that we conduct operations on premises leased from third parties, any deficiency in relation to title of the property of the owner, or in the event where the negotiated terms are less advantageous to us, or breach of any contractual terms, or increase in the royalties charged against our leases or the inability to renew our leases, may negatively affect our operations. For further details, see *"Our Business - Properties"* on page 137.

26. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Our business operations are vulnerable to risks in relation to fire, strikes, cash-in-transit, loss-in-transit of our products and natural disasters.

As part of risk management, we maintain insurance policies that may provide insurance cover for mechanical failures, burglary, fire or other problems at any of our Steel Manufacturing Plants. For instance, we have procured industrial all risk policies for our Angadpur Plant, Barjora Plant and Gopalpur Plant which provides for various covers including fire, machinery breakdowns, storms, earthquakes. Our products are covered under a marine cargo open policy wherein products are insured from various risks while being transported by road, rail or sea.

There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations For more details on the insurance policies availed by us, see "*Our Business – Insurance*" on page 136.

27. Some of our agreements may have certain irregularities.

Some of our agreements have not been registered and/or are not adequately stamped or not stamped at all. Accordingly, such documents may not be produced for enforcement before a court of law until the applicable stamp duty, registration charges, and consequent penalties are paid on such documents. Accordingly, we may be required to incur additional costs in order to adjudicate these agreements before relevant authorities. Further, this may affect our ability to renew such agreements or result in us being required to enter into an agreement and consequently, we may experience business disruption. This may affect our business, financial condition and result of operations.

28. If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.

We have over time, improved our technology by improvising on various aspects of the manufacturing methods including material handling, quality enhancement, inventory management, reducing wastage and loss and implementing efficient software to improve operational efficiency. For instance, at the Angadpur Plant and Mejia Plant, our continuous casting machine is installed in collaboration with Concast-AG-Zurich and Concast India Limited, respectively, and the quenching system in the rolling mill at the Angadpur Plant, the Barjora Plant and the Mejia Plant has been set up in collaboration with HSE Germany. We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. While we believe that we have achieved technological advancements, if we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

29. Our Company has not maintained records of certain forms that were required to be filed by our Company with the RoC in the past. Further, our Company has filed certain forms with irregularities and we cannot assure you whether any penalty may be imposed on us and that any such event will not have an adverse effect on our business and operations.

Our Company has not been able to trace records of certain forms that were required to be filed by our Company with the RoC in the past. For instance, we are unable to trace certain forms in respect of filing of the special resolutions for preferential allotments and the same are not available in the records of our Company. We cannot assure you that the abovementioned forms will be available in the future.

Further, in the past, certain filings and corporate authorizations made by our Company have not been made in manner required under the Companies Act, 1956 and the Companies Act, 2013, such as certain mandatory attachments required to be attached to the forms filed with the RoC were not attached. Additionally, certain forms filed by our Company in the past had factual inaccuracies or were not made in the manner required under the Companies Act, 1956, the Companies Act, 2013, which related to, amongst others, incorrect references to the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 and incorrect recording of names of allottees in the forms and resolutions. Further, we cannot assure you that our Company has filed all forms in a timely manner or at all, in the past. We also cannot assure you that the statutory authorities will not impose any penalty and if imposed that such penalty will not have a material adverse effect on our business, operations and financial results.

30. Environmental matters, including compliance with laws and regulations, could result in substantially increasing our operating costs resulting in negatively affecting our profitability.

We are subject to a wide range of environmental and other governmental laws and regulations, which have increased our costs to plan, design, install and operate our Steel Manufacturing Plants. Under such laws and regulations, we could also be liable for personal injuries, property damage and other damages. There can be no assurance that costs and liabilities will not be incurred in the future.

Increase in the compliance requirements of environmental laws and regulations, with strict enforcement thereof by governmental authorities, or claims for damages to property or injury to persons may impact our operations, resulting in suspension or termination of our operations. We may have to incur significant expenditure to comply with such additional compliance requirements and the failure to comply may subject us to administrative, civil and criminal penalties.

There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on our business, financial condition or results of operations. In the event that production at one of our Steel Manufacturing Plants is partially or wholly disrupted due to any type of sanction, our business could suffer significantly and our financial condition and results of operations could be materially and adversely affected.

In addition, our current and future operations may be located in areas where communities may regard our activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise our profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country.

31. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds to repay or prepay a portion of the loans availed of by our Company and our Subsidiaries and for general corporate purposes. For further details of the proposed objects of the Issue, see "*Objects of the Issue*" beginning on page 74. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that our Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

32. Our management will have broad discretion in the manner in which we utilise the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution.

Our Company intends to use the Net Proceeds for the purposes described in "*Objects of the Issue*" beginning on page 74. Subject to this section, our management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds. While a monitoring agency will be appointed in compliance with the SEBI Regulations for monitoring utilisation of Net Proceeds, the funding plans are in accordance with our own estimates and have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business.

33. ***Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and loan markets and, as a result, may adversely affect our net interest margin and our results of operations.***

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. We have a long term credit rating of CRISIL A+ and a short term credit rating of CRISIL AI+. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. Any such development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

34. ***Any failure in our information technology systems could adversely affect our business.***

We use information and communication technologies for the execution and management of our projects. For instance, we have engaged the SAP (ERP software) on license basis from SAP India Private Limited. The SAP (ERP software) helps in integration of all our business processes including accounts, cost and finance, material management, sales and distribution, production and planning, quality control human resources and payroll in an integrated environment. Any delay in implementation or disruption of the functioning of our information technology systems, including the SAP (ERP software), could affect our ability to assess the progress of our projects, process financial information, manage creditors or debtors or engage in normal business activities. Any such disruption could have an adverse effect on our business.

35. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we have or may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. For instance, we use Customer Relationship Management ("**CRM**") system to maintain a centralized data bank of new and prospective dealers, distributors, customers and projects, ascertain prospective demand of our products in different regions and for a quick redressal of our customer, dealer and distributor grievances and feedback. CRM, as a measure of internal control includes human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our reporting, resulting in incorrect data storage in the data bank. Further, failure or absence of adequate internal control systems may also affect our business operations.

There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

36. ***We have commissioned industry reports from certain agencies, which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.***

We have commissioned the CRISIL Report. The reports use certain methodologies for market sizing and forecasting. Neither we, nor any of the BRLMs have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Such data may also be produced on different bases from those used in the industry publications we have referenced. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. Further, the methodology for computation of certain financial data by CRISIL is based on their research on sales of products in the steel manufacturing markets and in relation to specific geographic areas. Such methodology by CRISIL may be different from the methodology we adopt and accordingly, the details of sales, market share and financial data included in the CRISIL Report may not accurately reflect our revenues, results of operations and financial results. For further details, see "*Certain Conventions, Presentation of Financial, Industry and Market Data*" and *"Industry Overview"* beginning on pages 19 and 93, respectively.

37. ***We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our base of customers.***

We believe that any damage to our brand “SHYAM” or our reputation could substantially impair our ability to maintain or grow our business, or have a material adverse effect on our overall business, financial condition, results of operations and cash flows. If we fail to maintain this brand recognition with our existing and target customers due to any issues with our product, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline.

In addition, any unauthorized or inappropriate use of our brand, trademarks and other related intellectual property rights by others in their corporate names or product brands or otherwise could harm our brand image, competitive advantages and business and dilute or harm our reputation and brand recognition. Moreover, we might also be harmed by the actions of or negative press relating to entities which have similar names. Further, if a dispute arises with respect to any of our intellectual property rights or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. For instance, our Company has filed a suit for trademark infringement before the Calcutta High Court against Shyam Sel and Power Limited and Shyam Metalics and Energy Limited (collectively, the “**Defendants**”), *inter alia* seeking a perpetual injunction restraining the Defendants from infringing our registered trademark “SHYAM”; and from passing off their products by use of any trademark comprising the word “SHYAM” in connection with TMT Rebar and construction materials. For details, see “*Outstanding Litigation and Material Developments- Litigation filed by our Company - Matters involving an amount above ₹ 10.94 million*” on page 289. We cannot assure you that any other infringement claims that are material will not arise in the future or that we will be successful in defending such claims when they arise. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition, results of operations and cash flows.

38. ***We face foreign exchange risks, which may negatively affect our business, financial condition and results of operations.***

As of December 31, 2018, our revenue from sale of products outside India was ₹ 2,041.71 million. We typically sell our intermediate products overseas, such as billet in Nepal and Sri Lanka, and silico manganese in Bangladesh. Owing to such sale of our intermediate products, we are exposed to fluctuations in foreign exchange rates. While our financial statements are prepared in Indian rupees, foreign currency fluctuations can also result in losses and gains resulting from translation of foreign currency denominated balances on our financials.

External Risk Factors

Risks Relating to India

39. ***Changing laws, rules and regulations and legal uncertainties, including reduction in import duties on steel, adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

The import duty, along with lower freight costs and, in some countries, higher labour costs, have allowed domestic manufacturers to enjoy a significant price advantage over imported steel products in the domestic Indian market. However, any policy change by the government, resulting in a reduction in import duties may assert downward pressure on our margins and prices. Reductions in import duties and lower priced imports from countries that benefit from bilateral or multilateral trade agreements with India may have an adverse effect on our business, financial condition and results of operations.

Additionally, the regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- grid codes may impose new requirements on operational wind farms, such as those relating to Low Voltage Ride Through or LVRT capability. We may incur additional costs in complying with these new requirements, which may affect our profitability;

- the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us; and

- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we cannot assure you as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions

The Government has announced the interim union budget for the Fiscal 2020. Further, the Finance Act, 2019 (the "**Finance Act**"), passed by the Parliament and has received the assent of the President of India, has proposed various amendments. The Finance Act stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Further, the budget which has been currently proposed for the Fiscal 2020, is merely an interim budget. The full union budget is likely to be announced post the general elections, scheduled this year, pursuant to which the Government may introduce additional tax proposals. We cannot predict whether any tax laws or regulations impacting our products will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

We have not determined the impact of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

40. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India and abroad.

All our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

(a) any exchange rate fluctuations;

(b) any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;

(c) prevailing income conditions among Indian consumers and Indian corporates;

(d) volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

(e) changes in India's tax, trade, fiscal or monetary policies;

(f) political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;

(g) occurrence of natural or man-made disasters;

(h) prevailing regional or global economic conditions, including in India's principal export markets;

(i) any downgrading of India's debt rating by a domestic or international rating agency;

(j) any increase in Indian interest rates or inflation;

(k) financial instability in financial markets; and

(l) other significant regulatory or economic developments in or affecting India or its manufacturing sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. For instance, on November 8, 2016, the Reserve Bank of India and the Ministry of Finance of the Government of India withdrew the legal tender status of ₹500 and ₹1,000 currency notes. Despite ₹500 and ₹2,000 notes being introduced since such demonetization on November 8, 2016, the short-term effect of these developments has been, among other things, a decrease in liquidity of cash in India, which has in turn negatively affected consumer spending. Other impacts of the demonetization on India's economic growth, credit demand, credit quality, liquidity and interest rates is uncertain. Although there have been minimal short-term effects on our day-to-day business, the medium-term and long-term effects of demonetization on our business are uncertain and we cannot accurately predict the effect thereof on our business, results of operations, financial condition and prospects.

An adverse impact on the Indian economy due to any of the above-mentioned factors, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

41. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

42. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

43. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.

The Competition Act, was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset- and turnover-based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

44. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.

Our Restated Consolidated Financial Information as of and for the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 included in this Draft Red Herring Prospectus have been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The consolidated audited financial statements of our Company for Fiscals 2018, 2017 and 2016 have been preparedunder the previous generally accepted accounting principles followed in India ("**Indian GAAP**").

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, we have presented reconciliation from Indian GAAP to Ind AS. For further details, see "*Financial Statements*" beginning on page 171. Except as otherwise provided in the Restated Consolidated Financial Information with respect to Indian GAAP, no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

In addition, our Restated Consolidated Financial Information may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

45. It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.

Our Company is incorporated under the laws of India. Our Company's assets are located in India and all of our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgements are provided for under Section 13 of the Civil Procedure Code ("**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; or (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, including the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely on the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under FEMA to execute such a judgement or to repatriate any amount recovered.

46. The ability of Indian companies to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Risks Relating to the Equity Shares

47. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

48. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares.

After the completion of the offer, our Promoters will own, directly and indirectly, over [●]% of our outstanding Equity Shares. Any future equity issuances by us, including in a primary offering, may lead to the dilution of your shareholdings. Any future equity issuances by us or sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. There can be no assurance that our Company will not issue shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

49. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

50. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors may begin trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently not traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. In accordance with Indian law and practice, final listing and trading approval of our Equity Shares will not be applied for, or granted until after those Equity Shares have been offered and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

51. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Issue Price*" beginning on page 81 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Issue Price.

52. The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.

Indian securities markets may not be comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced fluctuations in the prices of listed securities. Indian stock exchanges may have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes may have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

53. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

54. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our Company has not declared dividends in the past. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

55. Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

SECTION III: INTRODCTION

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares[(1)(2)]		Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:		
(i)	Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹ 2,000 million
(ii)	Offer for Sale[(2)]	Up to 6,670,000 Equity Shares aggregating up to ,₹ [●] million by the Selling Shareholders
of which:		
A)	QIB Portion[(3)(4)]	Not more than [●] Equity Shares
	of which	
	Anchor Investor Portion	Up to [●] Equity Shares
	Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))[(3)]	[●] Equity Shares
	Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B)	Non-Institutional Portion[(3)]	Not less than [●] Equity Shares
C)	Retail Portion[(3)(4)]	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares		
Equity Shares outstanding prior to the Issue		62,000,000 Equity Shares
Equity Shares outstanding after the Issue		[●] Equity Shares
Utilisation of Net Proceeds		See "*Objects of the Issue*" beginning on page 74 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

1. *The Fresh Issue has been authorised by our Board pursuant to resolution passed on September 29, 2018 and by our Shareholders pursuant to special resolution passed on September 29, 2018.*
2. *The Selling Shareholders (severally and not jointly) have specifically confirmed that their respective portion of the Offered Shares are eligible to be offered for sale in the Issue in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 295.*
3. *Subject to valid bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in "Terms of the Issue" beginning on page 310.*
4. *Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Issue Procedure" beginning on page* 316.

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Issue Procedure*" beginning on page 316.

For details of the terms of the Issue, see "*Terms of the Issue*" beginning on page 310.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 171 and 255, respectively.

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Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in Million)

Particulars	As at December 31, 2018	As at March 31, 2018	As at March 31, 2017 (Proforma)	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
Property, plant and equipment	5,210.05	4,669.37	4,830.92	5,440.87
Capital work-in-progress	189.88	630.25	163.49	64.45
Other Intangible assets	13.20	6.15	1.24	0.73
Investment property	10.45	16.59	13.27	-
Financial assets				
(i) Investments	1.37	1.31	1.59	0.09
(ii) Loans	44.11	73.31	17.59	20.81
(iii) Other financial assets	36.76	1.65	15.00	17.19
Other non-current assets	106.81	86.43	76.97	50.78
Non-current tax assets (net)	28.65	75.99	96.15	97.42
Total non-current assets	**5,641.28**	**5,561.05**	**5,216.22**	**5,692.34**
Current assets				
Inventories	1,994.74	2,014.66	1,428.58	916.40
Financial assets				
(i) Investments	1,513.21	351.20	163.78	222.39
(ii) Trade receivables	2,537.94	2,420.76	1,602.84	1,642.81
(iii) Cash and cash equivalents	125.42	46.30	33.30	32.03
(iv) Bank balances other than cash and cash equivalents	109.48	107.13	148.16	114.15
(v) Loans	64.57	87.42	66.03	59.94
(vi) Other financial assets	201.81	161.09	261.78	271.00
Other current assets	996.56	757.16	1,242.04	769.75
Total current assets	**7,543.73**	**5,945.72**	**4,946.51**	**4,028.47**
Total assets	**13,185.01**	**11,506.77**	**10,162.73**	**9,720.81**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	62.00	62.00	62.00	65.00
Other equity	6,895.87	5,580.02	4,510.40	4,220.69
Equity attributable to equity holders of the Group	**6,957.87**	**5,642.02**	**4,572.40**	**4,285.69**
Non-controlling interest	-	-	31.75	28.63
Total equity	**6,957.87**	**5,642.02**	**4,604.15**	**4,314.32**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	502.96	779.09	631.66	976.34
(ii) Trade payables				
A. Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	105.83	198.43	198.43
(iii) Other financial liabilities	685.33	526.12	304.60	294.34
Provisions	85.80	74.75	50.13	33.27
Deferred tax liabilities (net)	513.33	503.76	509.70	583.51
Other non-current liabilities	20.69	22.56	24.70	26.83
Total non-current liabilities	**1,808.11**	**2,012.11**	**1,719.22**	**2,112.72**
Current liabilities				
Financial liabilities				
(i) Borrowings	1,856.78	1,769.32	2,159.01	1,653.64
(ii) Trade payables				

Particulars	As at December 31, 2018	As at March 31, 2018	As at March 31, 2017 (Proforma)	As at March 31, 2016 (Proforma)
A. Total outstanding dues of micro enterprises and small enterprises	2.42	13.69	8.74	6.27
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,255.58	770.68	524.16	752.39
(iii) Other financial liabilities	691.30	696.79	715.61	567.23
Other current liabilities	485.98	467.39	388.26	310.34
Provisions	20.75	14.58	7.41	3.90
Current tax liabilities (net)	106.22	120.19	36.17	-
Total current liabilities	**4,419.03**	**3,852.64**	**3,839.36**	**3,293.77**
Total liabilities	**6,227.14**	**5,864.75**	**5,558.58**	**5,406.49**
Total equity and liabilities	**13,185.01**	**11,506.77**	**10,162.73**	**9,720.81**

Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income)

(Rs. in Million)

	Particulars	For the nine months period ended December 31, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)	For the year ended March 31, 2016 (Proforma)
	Income				
I.	Revenue from operations	20,025.50	21,475.89	15,151.61	11,619.74
II.	Other income	115.82	153.15	73.06	70.86
III.	**Total income (I+II)**	**20,141.32**	**21,629.04**	**15,224.67**	**11,690.60**
IV.	**Expenses**				
	Cost of materials consumed	13,129.74	13,137.21	8,505.43	6,313.35
	Purchases of stock-in-trade	623.74	514.10	17.49	28.07
	Changes in inventories of finished goods, work in progress and stock-in-trade	(556.72)	(84.83)	(156.14)	209.48
	Excise duty	-	467.10	1,400.18	1,080.67
	Employee benefits expense	932.56	991.67	551.16	333.92
	Finance costs	251.17	348.26	310.47	349.00
	Depreciation and amortisation expense	344.15	586.56	827.32	834.21
	Other expenses	3,642.13	4,204.06	3,203.83	2,369.78
	Total expenses (IV)	**18,366.77**	**20,164.13**	**14,659.74**	**11,518.48**
V.	**Consolidated profit before tax (III-IV)**	**1,774.55**	**1,464.91**	**564.93**	**172.12**
VI.	**Tax expense**				
	-Current tax	476.99	402.35	185.40	121.07
	-Income tax for earlier years	(24.23)	(0.11)	2.95	1.11
	-Deferred tax charge/(credit)	8.30	(30.93)	(70.18)	(24.06)
VII.	**Total tax expense**	**461.06**	**371.31**	**118.17**	**98.12**
VIII.	**Consolidated profit after tax for the period/year (V-VII)**	**1,313.49**	**1,093.60**	**446.76**	**74.00**
IX.	**Consolidated other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	a) Remeasurement gain/(loss) of the defined benefit plans	3.63	(21.44)	(10.49)	(2.73)
	b) Income tax on above	(1.27)	7.49	3.63	0.95
	Consolidated other comprehensive income for the period/ year, net of income tax	**2.36**	**(13.95)**	**(6.86)**	**(1.78)**
X.	**Consolidated total comprehensive income for the period/year (VIII + IX)**	**1,315.85**	**1,079.65**	**439.90**	**72.22**
	Consolidated profit for the period/year attributable to:				
	Owners of the Company	1,313.49	1,093.01	443.63	71.10
	Non-controlling interest	-	0.59	3.13	2.90
		1,313.49	**1,093.60**	**446.76**	**74.00**
	Consolidated other comprehensive income attributable to:				

	Particulars	For the nine months period ended December 31, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)	For the year ended March 31, 2016 (Proforma)
	Owners of the Company	2.36	(13.95)	(6.85)	(1.68)
	Non-controlling interest	-	-	(0.01)	(0.10)
		2.36	**(13.95)**	**(6.86)**	**(1.78)**
	Total comprehensive income attributable to:				
	Owners of the Company	1,315.85	1,079.06	436.78	69.42
	Non-controlling interest	-	0.59	3.12	2.80
		1,315.85	**1,079.65**	**439.90**	**72.22**
	Earnings per equity share (nominal value of ₹ 10 each)				
	Basic [in Rs.]	21.19	17.63	6.83	1.09
	Diluted [in Rs.]	21.19	17.63	6.83	1.09

Restated Consolidated Summary Statement of Cash Flows

(Rs. in Million)

	Particulars	For the nine months period ended December 31, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)	For the year ended March 31, 2016 (Proforma)
	Cash flows from operating activities				
	Restated Consolidated profit before tax	**1,774.55**	**1,464.91**	**564.93**	**172.12**
	Adjustments for				
	Depreciation and amortisation expense	344.15	586.56	827.32	834.21
	Liability no longer required written back	(8.52)	(22.06)	(16.49)	(8.20)
	(Profit) on sale of investment (net)	(3.12)	(1.38)	(6.54)	(0.49)
	(Profit)/loss on sale of property, plant and equipment (net)	(1.12)	(3.49)	-	(0.01)
	Interest income from fixed deposits	(5.76)	(7.98)	(9.45)	(10.64)
	Interest income on investments	(4.82)	(7.20)	-	-
	Provision for gratuity	21.84	20.50	11.71	7.71
	Provision for doubtful debt	50.13	9.02	-	8.26
	Deferred revenue on government grant	(1.87)	(28.19)	(16.46)	(46.06)
	Finance costs	251.17	348.26	310.47	349.00
	Changes in fair value of derivatives (net)	(0.68)	(43.08)	25.66	14.72
	Changes in fair value of investments (net)	(12.06)	(0.76)	(2.95)	(2.45)
	Unrealised foreign exchange gain (net)	-	28.64	21.48	50.75
	Dividend income	(1.62)	-	-	-
	Interest income on security deposit	(3.55)	(3.70)	(1.20)	(0.46)
	Amortisation of deferred rent	3.28	4.38	0.72	(0.15)
	Advances and bad debt written off	1.22	39.83	64.78	10.19
	Operating cash flow before working capital changes	**2,403.22**	**2,384.26**	**1,773.98**	**1,378.50**
	Changes in working capital				
	(Increase) in trade receivables	(167.21)	(864.43)	(17.40)	(229.30)
	(Increase)/Decrease in inventories	19.92	(586.08)	(512.18)	454.29
	(Increase)/Decrease in loans, other financial assets and other assets (net)	(216.70)	903.16	(760.91)	(140.03)
	Increase/ (Decrease) in trade payables, other liability, other financial liability and provisions (net)	670.35	297.95	293.26	214.93
	Net changes in working capital	**2,709.58**	**2,134.86**	**776.75**	**1,678.39**
	Less: Income taxes paid (net)	(419.41)	(298.05)	(150.92)	(107.42)
	Cash flow generated from operating activities (A)	**2,290.17**	**1,836.81**	**625.83**	**1,570.97**
	Cash flows from investing activities				
	(Purchase) of property, plant and equipment and intangible assets (including capital work in progress and capital advances)	(478.80)	(733.14)	(344.59)	(358.89)
	Proceeds from sale of property, plant and equipment	6.72	7.26	0.25	0.80
	Purchase of non-current investments	(0.10)	-	(1.59)	(0.09)
	Proceeds from non-current investments	-	0.30	-	-
	(Purchase)/ Proceeds of current investments (net)	(1,147.62)	(186.62)	60.85	(169.23)
	Redemption/ (Investment) in bank deposits (having original maturity of more than three months)	(36.07)	51.80	(31.05)	36.80
	Interest received on fixed deposit	12.28	17.65	22.86	6.56
	Dividend received	1.62	-	-	-

	Particulars	For the nine months period ended December 31, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)	For the year ended March 31, 2016 (Proforma)
	Net cash flows (used in) investing activities (B)	**(1,641.97)**	**(842.75)**	**(293.27)**	**(484.05)**
	Cash flows from financing activities				
	Payment for equity shares bought back	-	-	(150.00)	-
	Proceeds from non-current borrowings	118.77	58.26	159.36	227.55
	Repayment of non-current borrowings	(511.24)	(173.97)	(486.55)	(773.82)
	Increase/ (decrease) in other borrowings	87.46	(389.68)	505.36	33.18
	Purchase consideration paid towards acquisition of business	-	(122.43)	(1.11)	(236.24)
	Finance cost paid	(264.07)	(353.24)	(358.39)	(412.62)
	Net cash flows (used in) financing activities (C)	**(569.08)**	**(981.06)**	**(331.33)**	**(1,161.95)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	79.12	13.00	1.23	(75.03)
	Cash and cash equivalents at the beginning of the period/year	46.30	33.30	32.03	107.06
	Opening Cash and Cash Equivalent of Subsidiary acquired	-	-	0.04	-
	Cash and cash equivalents at the end of the year [refer note 12 to Annexure VI]	**125.42**	**46.30**	**33.30**	**32.03**

Note:

		As at December 31, 2018	As at March 31, 2018	As at March 31, 2017 (Proforma)	As at March 31, 2016 (Proforma)
(a)	**Components of cash and cash equivalents at the end of the year comprise: (refer note 12)**				
	Cash on hand	10.59	7.98	4.31	13.47
	Cheque and draft on hand	50.97	-	-	-
	In fixed deposit accounts with original maturity of less than three months	-	-	-	0.73
	Balances with scheduled banks				
	- On current accounts	63.86	38.32	28.99	17.83
		125.42	**46.30**	**33.30**	**32.03**

GENERAL INFORMATION

Our Company was originally incorporated as Shyam Shree Steels Limited on March 8, 2002 at Kolkata as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Subsequently, the name of our Company was changed to Shyam Steel Industries Limited and a fresh certificate of incorporation consequent on change of name was granted by the RoC on December 18, 2003.

Registered Office and Corporate Office

Shyam Tower, EN-32, Sector-V
Salt Lake City
Kolkata 700 091
Registration Number: 094339

Address of the RoC

Our Company is registered with the RoC situated at the following address:

The Registrar of Companies, West Bengal at Kolkata

Nizam Palace
2nd MSO Building
2nd Floor, 234/4
A.J.C. Bose Road
Kolkata 700 020

Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company consists of the following:

Name	Designation	DIN	Address
Purushottam Beriwala	Whole-time Director	00006215	CJ – 222, Salt Lake City, Sector – II, Block – CJ, Biddhannagar, North 24 Parganas, Kolkata 700 091
Govind Beriwal	Whole-time Director	00006100	CF – 370, Sector – 1, Salt Lake City, North 24 Parganas, Biddhannagar, Kolkata 700 064
Lalit Beriwala	Whole-time Director	00006198	IB – 185, Sector – III, Salt Lake City, 5th Floor, North 24 Parganas, Kolkata 700 106
Ravi Beriwala	Whole-time Director	00006230	1B – 185, 3rd Floor, Sector –III, Salt Lake City, Biddhannagar, IB Market, North 24 Parganas, Kolkata
Brijesh Beriwala	Non-Executive Director	00006152	IB – 185, Sector – III, 10th Floor, Near Columbia Asia Hospital, Biddhannagar, IB Market, Salt Lake, North 24
Manish Beriwala	Whole-time Director	00006249	IB – 185, 7th Floor, Sector – III, Salt Lake City, Biddhannagar, IB Market, North 24 Parganas, Kolkata
Deepak Chowdhary	Whole-time Director	06965132	RC − 55, Bengal Ambuja, City Centre, Burdwan, Durgapur 713 216
Santinath Sarkar	Independent Director	06996438	181/2, Nagendra Nath Road, Jugipara, South Dum Dum, North 24 Parganas, Kolkata 700028
Rajni Mishra	Independent Director	07706571	Rabindra Pally, Maheshtala, South 24 Parganas, Kolkata 700 142
Hanuman Mal Choraria	Additional Independent Director	00018375	565/1, SK Deb Road, Krishna Vatika, Lake Town Annex, Sreebhumi, North 24 Parganas, Kolkata 700 048
Joginder Pal Dua	Additional Independent Director	02374358	1715, First Floor, DLF Phase - 4, Chakkarpur, Gurgaon 122 002
Shounak Mitra	Additional Independent Director	07762047	P-97, Kalindi Housing Estate, South Dum Dum (M), North 24 Parganas, Kolkata 700 089
Uday Kumar Chatterjee	Additional Independent Director	06441382	FE-159/2, Saltlake, Sector-III, Bidhannagar(M), North 24 Parganas, Kolkata 700 106
Vikram Swarup	Additional Independent Director	00163543	2B, Judges Court Road, Alipore, Kolkata 700 027

For further details, see "*Our Management*" beginning on page 147.

Company Secretary and Compliance Officer

Prashant Damani
Shyam Tower, EN-32, Sector-V
Salt Lake City
Kolkata 700 091
Tel: +91 33 4007 4007
Email: investor@shyamsteel.com

Book Running Lead Managers

Axis Capital Limited
1st floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Tel: +91 22 4325 2183
Email: ssil.ipo@axiscap.in
Investor grievance email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Mayuri Arya
SEBI Registration no.: INM000012029

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Tel: +91 22 4009 4400
Email: shyamsteel.ipo@edelweissfin.com
Investor grievance email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Disha Doshi / Mohit Kapoor
SEBI Registration no.: INM0000010650

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Tel: +91 22 4646 4600
Email: ssil.ipo@iiflcap.com
Investor grievance email: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact person: Rajshekhar Swamy/ Aditya Agarwal
SEBI Registration no.: INM000010940

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: +91 22 2217 8300
E-mail: ssil.ipo@sbicaps.com
Investor grievance email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact person: Karan Savardekar/ Janardhan Wagle
SEBI registration no.: INM000003531

Syndicate Members

[●]

Indian Legal Counsel to our Company and the Selling Shareholders

Cyril Amarchand Mangaldas

5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Tel: +91 22 2496 4455

Indian Legal Counsel to the Book Running Lead Managers

Khaitan & Co

One Indiabulls Centre
13th Floor, Tower 1
841, Senapati Bapat Marg
Mumbai 400 013
Tel: +91 22 6636 5000

Simal, 2nd Floor
7/1 Ulsoor Road
Bengaluru 560 042
Tel: +91 80 4339 7000

Special Purpose International Legal Counsel to the Book Running Lead Managers

Squire Patton Boggs Singapore LLP

10 Collyer Quay
#03-01/03 Ocean Financial Centre
Singapore 049315
Republic of Singapore
Tel: +65 6922 8668

Statutory Auditor to our Company

B S R & Co. LLP

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5
Block – DP, Sector V, Salt Lake
Kolkata 700 091
Tel: +91 33 4403 4000
Email: jayanta@bsraffiliates.com
Firm registration number: 101248W/ W-100022
Peer review number: 009060

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083
Tel: +91 022 49186200
Email: shyamsteel.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Bankers to the Issue

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Issue Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

Axis Bank Limited

Corporate Relationship Group
AC Market Building, 4th Floor
1, Shakespeare Sarani
Kolkata 700 071
Tel: +91 33 6627 2007
Email: vikash.rathi@axisbank.com
Website: axisbank.com
Contact person: Vikash Rathi

State Bank of India

24 Park Street
Kolkata 700 016
Tel: +91 33 2249 6354
Email: ganapathy.narayanan@sbi.co.in
Website: bank.sbi
Contact person: G A Narayanan

Union Bank of India

2B, Lee Road
Kolkata 700 020
Tel: +91 33 2290 2003
Email: mcbkolkata@unionbankofindia.com
Website: www.unionbankofindia.com
Contact person: H. P. Mohanty

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the above mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com and https://www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Monitoring Agency

[●] shall be appointed as the Monitoring Agency for monitoring the utilization of net proceeds, prior to filing of the Red Herring Prospectus with the RoC , as our Issue size (excluding the Offer for Sale by the Selling Shareholders) exceeds ₹ 1,000 million in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block

Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013 at:

Registrar of Companies
Nizam Palace, 2nd MSO Building
2nd Floor, 234/4
A.J.C. Bose Road
Kolkata 700 020

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy. Pre-Issue due diligence of our Company including its operations/management/business plans/legal etc., drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Red Herring Prospectus, Prospectus and RoC filing	Axis, Edelweiss, IIFL, SBICAP	Axis
2.	Drafting and approval of all statutory advertisements	Axis, Edelweiss, IIFL, SBICAP	Axis
3.	Drafting and approval of all publicity material (other than statutory advertisements as mentioned above) including corporate advertising, brochure, etc. and filing of media compliance report	Axis, Edelweiss, IIFL, SBICAP	SBICAP
4.	Appointment of Intermediaries – Monitoring Agency, Registrar to the Issue, Advertising Agency, Printers to the Issue, collection centres, including co-ordination for agreements	Axis, Edelweiss, IIFL, SBICAP	Edelweiss
5.	Appointment of Bankers to the Issue including co-ordination for agreements	Axis, Edelweiss, IIFL, SBICAP	IIFL
6.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	Axis, Edelweiss, IIFL, SBICAP	Axis
7.	Non-institutional and Retail marketing of the Issue, which will cover, inter alia, 1. Finalising media, marketing and public relations strategy; 2. Finalising centres for holding conferences for brokers, etc; and 3. Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue material	Axis, Edelweiss, IIFL, SBICAP	Edelweiss
8.	Domestic Institutional marketing of the Issue, which will cover, inter alia: 1. Institutional marketing strategy; 2. Finalizing the list and division of domestic investors for one-to-one meetings; and 3. Finalizing domestic road show and investor meeting schedule	Axis, Edelweiss, IIFL, SBICAP	IIFL
9.	International Institutional marketing of the Issue, which will cover, inter alia: 1. Institutional marketing strategy; 2. Finalizing the list and division of international investors for one-to-one meetings; and 3. Finalizing international road show and investor meeting schedule	Axis, Edelweiss, IIFL, SBICAP	Axis
10.	Coordination with Stock-Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange	Axis, Edelweiss, IIFL, SBICAP	Edelweiss

Sr. No	Activity	Responsibility	Co-ordinator
11.	Managing the book and finalization of pricing in consultation with our Company	Axis, Edelweiss, IIFL, SBICAP	Axis
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance(No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Issue reports including the initial and final post Issue report to SEBI	Axis, Edelweiss, IIFL, SBICAP	IIFL

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application forms within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, and which shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] edition of the Bengali daily newspaper [●] (Bengali being the regional language of West Bengal, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers after the Bid/Issue Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. Anchor Investors are not permitted to participate in the Issue through ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding and book building process, see "*Terms of the Issue*", "*Issue Structure*" and "*Issue Procedure*" beginning on pages 310, 314 and 316, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders shall enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone number and Email address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (*in ₹ million*)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement.

Changes in Auditor

Except as stated below, there is no change in our statutory auditor in the last three years:

Particulars	Date of change	Reason for change
B S R & Co. LLP Godrej Waterside, Unit No. 603, 6th Floor, Tower – 1, Plot No. 5, Block – DP, Sector – V, Salt Lake, Kolkata 700 091 Email: rguraria@bsraffiliates.com Firm registration number: 101248W/ W-100022 Peer review number: 009060	September 29, 2018	Appointment as Statutory Auditor
B S R & Co. LLP Godrej Waterside, Unit No. 603, 6th Floor, Tower – 1, Plot No. 5, Block – DP, Sector – V, Salt Lake, Kolkata 700 091 Email: rguraria@bsraffiliates.com Firm registration number: 101248W/ W-100022 Peer review number: 009060	May 28, 2018	Appointment as Statutory Auditor to fill up the casual vacancy due to resignation of J K V S & Co.
J K V S & Co. (*formerly known as Jitendra K Agarwal & Associates*) 110F, Netaji Subhash Chandra Bose Road, Kolkata 700 040 Email: amohta@jkagarwal.com Firm registration number: 318086E Peer review number: 009156	May 21, 2018	Resignation as statutory auditor due to pre-occupation
J K V S & Co. (*formerly known as Jitendra K Agarwal & Associates*)	September 29, 2017	Appointment as statutory auditor

Particulars	Date of change	Reason for change
110F, Netaji Subhash Chandra Bose Road, Kolkata 700 040 Email: amohta@jkagarwal.com Firm registration number: 318086E Peer review number: 009156		
Singhi & Co. 161, Sarat Bose Road, Kolkata 700 026 Email: kolkata@singhico.com Firm registration number: 302049E Peer review number: 009167	April 1, 2017	Completion of term of appointment

CAPITAL STRUCTURE

The equity share capital of our Company as on the date of this Draft Red Herring Prospectus is set out below.

(in ₹ except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
1.	**AUTHORIZED SHARE CAPITAL**		
	70,000,000 Equity Shares	700,000,000	
	Total	700,000,000	
2.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	62,000,000 Equity Shares	620,000,000	
3.	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue of up to [●] Equity Shares (1)(2)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,000 million(1)	[●]	[●]
	Offer for Sale of up to 6,670,000 Equity Shares aggregating up to ₹[●] million(2)	66,700,000	[●]
4.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]
5.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	192,814,898	
	After the Issue	[●]	

a) *The Fresh Issue has been authorized by our Board pursuant to a resolution passed on September 29, 2018 and by our Shareholders pursuant to a special resolution passed on September 29, 2018.*

b) *The respective portion of the Offered Shares have been held by the Selling Shareholders for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations and accordingly, are eligible for the Issue in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorisations of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page* 295.

1. **Notes to the capital structure**

Equity Share capital history of our Company

The history of the Equity Share capital of our Company is set forth in the table below.

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
March 18, 2002	70,000	10	10	Cash	Initial subscription to the Memorandum of Association(1)	70,000	700,000
December 26, 2002	680,000	10	10	Cash	Preferential allotment(2)	750,000	7,500,000
March 30, 2004	250,000	10	100	Cash	Preferential allotment(3)	1,000,000	10,000,000
December 30, 2004	472,000	10	100	Cash@	Conversion of Preference Shares# (4)	1,472,000	14,720,000
March 31, 2005	437,000	10	100	Cash	Preferential allotment(5)	1,909,000	19,090,000

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
June 10, 2005	278,000	10	100	Cash@	Conversion of Preference Shares# (6)	2,187,000	21,870,000
March 31, 2006	313,000	10	100	Cash	Preferential allotment(7)	2,500,000	25,000,000
March 28, 2008	(750,000)	10	N.A.	N.A.	Cancellation pursuant to Scheme of Amalgamation(8)	17,50,000	17,500,000
March 28, 2008	1,042,000	10	N.A.	N.A.	Allotment pursuant to Scheme of Amalgamation(9)	27,92,000	27,920,000
March 31, 2008	2,208,000	10	10	Cash	Preferential allotment(10)	5,000,000	50,000,000
March 31, 2012	1,500,000	10	500	Cash@	Conversion of Preference Shares^ (11)	6,500,000	65,000,000
March 31, 2017	(300,000)	10	N.A.	N.A.	Buy-back(12)	6,200,000	62,000,000
May 16, 2019	55,800,000	10	N.A.	N.A.	Bonus issue(13)	62,000,000	620,000,000

\# *12% non-cumulative convertible Preference Shares*

^ *1% cumulative convertible Preference Shares*

@ *Consideration for such equity shares was paid at the time of issuance of preference shares*

1 *Subscription to 10,000 Equity Shares each, by, Shyam Sunder Beriwala, Purushottam Beriwala, Lalit Beriwala, Govind Beriwal, Brijesh Beriwala, Ravi Beriwala and Manish Beriwala.*

2 *55,000 Equity Shares each, were allotted to Shyam Sunder Beriwala, Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Brijesh Beriwala and Manish Beriwala; 27,500 shares each, were allotted to Shri Ram Beriwala and Maya Devi Beriwala; 65,000 shares each, were allotted to Puspa Devi Beriwala, Bina Beriwal and Jyoti Beriwal; 15,000 shares each, were allotted to Manju Lata Beriwala, Vineeta Beriwala and Anju Beriwala.*

3 *10,000 Equity Shares each, were allotted to Shambu Constructor Limited, Gliadin Intertrade Private Limited, Deeanu Trading Company Private Limited, JN Fiscal Services Private Limited, Chandelier Tracon Private Limited, Kumbh Commercial Private Limited, Liberal Spinners Limited, Kumbh Commercial Private Limited, Anindra Sales Private Limited, Agareswar Dev Viniyog Private Limited, Continental Fiscal Management Limited, Vinayak Tie-up Private Limited and ABI Trading Private Limited; 15,000 Equity Shares each, were allotted to Goldwin Mercandise Private Limited, Lotus Capital Financial Services Private Limited; Vinar Nirayat Private Limited and Annapurna Domestic Home Appliance Private Limited; 20,000 Equity Shares each, were allotted to Visco Agencies Private Limited, Dhananjay Trexim Private Limited, N.R. Mercantiles Private Limited.*

4 *20,000 Equity Shares were allotted to Boski Trade Comm Pvt Ltd; 15,000 Equity Shares each, were allotted to Antara Mercantile Private Limited, Anchal Towers Private Limited, S.P. Fiscal Services Private Limited, Scope Commodeal Private Limited, Napraaj Commercial Private Limited, Star Point Management Private Limited, Raunak Tracon Private Limited; 5,000 Equity Shares each, were allotted to Shipra Retailers Private Limited, Shree Laxmi Comm Private Limited, Rup Trade Comm Private Limited, Flexo Impex Private Limited, Vandana Tie-up Private Limited, J.M. Textiles Private Limited, Sri Bhagwati Consultancy Private Limited, Suraj Garh Diotech Cons Private Limited, Marubhumi Trancon Private Limited, Shaharsh Fiscal Services Private Limited, Veea Fiscal Services Private Limited, Wexford Tie-Up Private Limited, Canton Vinymay Private Limited, Marwari Traders Private Limited, Kavery Trading & Holding Private Limited, Drake Commercial Private Limited, MKK Zip Industries Private Limited, Evergreen Trafin Private Limited, Dipta Vanijya Private Limited, Girik Estates Private Limited, Kathleen Vyapaar Private Limited, Anindra Sales Private Limited, BGS Credit Private Limited, Bhomiya Suppliers Private Limited; 10,000 Equity Shares each, were allotted to Snapshot Tradelink Private Limited, Radico Trading Limited, Mars Dealers Private Limited, Veena Mercantiles Private Limited, Twinkle Traders Private Limited, Champak Niketan Private Limited, Aditi Samadhar Suvidha Private Limited, Puspak Trading & Consultancy Private Limited, Galvanotek Industries Private Limited, Nutshell Vyapaar Private Limited, Chek Sons Booking Co Private Limited, Dharamjyoti Vinimay Private Limited, Abex Infocom Private Limited, Monalisha Suppliers Private Limited, Sourav Kutir & Hones Private Limited, Non-stop Plantation Limited, Melton Vincom Private Limited, Satyam Finance & Investment Co Private Limited and Nathoo Commodities Private Limited; 8,000 Equity Shares were allotted to Jalrashi Marketing Private Limited; 7,000 Equity Shares each, were allotted to Ginni Finance Private Limited and Sundeep Salt & Boomine Private Limited; 3,000 Equity Shares each, were allotted to Boski Distributors Private Limited and Witthal Distributors Private Limited; 2,000 Equity Shares each, were allotted to Derek Trexim (P) Limited, Lipid Securities Private Limited, Cindrella Traders Private Limited and Globe Stock & Securities Limited; 1,000 Equity Shares were allotted to Virtuous Holding Private Limited.*

5 *437,000 Equity Shares were allotted to Bright Horizon Impex Private Limited.*

6 *20,000 Equity Shares were allotted to Top Light Tradelink Private Limited; 15,000 Equity Shares each, were allotted to Gold Win Mercandile Private Limited, Khetan Trade Link Private Limited, Esskay Telecon Limited, Tech Mech Tie-up Private*

Limited, Shekwell Trading and Finance Private Limited and Monalisa Suppliers Private Limited; 10,000 Equity Shares each, were allotted to Champak Nicketan Private Limited, Puspak Trading and Consultancy Private Limited, Sky Lark Commerce Private Limited, Sampark Consultant Limited, Segment Mercantiles Private Limited, Exude Vincon Private Limited, Bortax Agro Private Limited, Carval Tradelink Private Limited, Achin Vyapaar Private Limited, Solar Mercantiles Private Limited, North Star Commodities Private Limited and Dawson Fabtrade Private Limited; 8000 Equity Shares were allotted to Eastern Synthetics Private Limited; 5,000 Equity Shares each, were allotted to Lokpriya Trade and Agency Private Limited, Shree Laxmi Comm Private Limited, Antara Mercantile Private Limited, Liberal Spinners Limited, Ganpati Vincon Private Limited, Vasudha Commodeal Private Limited, Bensia Marketing Private Limited and Dee Anu Trading Co. Private Limited.

7 *233,000 Equity Shares were allotted to Adarsh Tie-up Private Limited; 80,000 Equity Shares were allotted to Bright Horizon Impex Private Limited.*

8 *Cancellation of 750,000 Equity Shares allotted pursuant to the Scheme of Amalgamation against the shares held by Bright Horizon Impex Private Limited and Adarsh Tie-up Private Limited.*

9 *27,500 Equity Shares were allotted to Lalit Beriwala; 87,850 Equity Shares were allotted to Lalit Beriwala HUF; 20,000 Equity Shares were allotted to Govind Beriwal; 153,550 Equity Shares were allotted to Govind Beriwal HUF; 11,750 Equity Shares were allotted to Brijesh Beriwala; 99,450 Equity Shares were allotted to Brijesh Beriwala HUF; 25,000 Equity Shares were allotted to Manish Beriwala; 61,550 Equity Shares were allotted to Manish Beriwala HUF; 16,250 Equity Shares were allotted to Ravi Beriwala; 94,950 Equity Shares were allotted to Ravi Beriwala HUF; 63,300 Equity Shares were allotted to Puspa Devi Beriwala; 45,300 Equity Shares were allotted to Jyoti Beriwal; 42,000 Equity Shares were allotted to Shyam Sunder Beriwala; 11,500 Equity Shares were allotted to Shyam Sunder Beriwala HUF; 54,400 Equity Shares were allotted to Purushottam Beriwala; 148,450 Equity Shares were allotted to Purushottam Beriwala HUF; 63,200 Equity Shares were allotted to Vanlila Consultants Private Limited; 16,000 Equity Shares were allotted to Bina Beriwala.*

10 *260,100 Equity Shares were allotted to Shyam Sunder Beriwala; 293,450 Equity Shares were allotted to Lalit Beriwala; 251,300 Equity Shares each, were allotted to Ravi Beriwala and Brijesh Beriwala; 224,550 Equity Shares were allotted to Manish Beriwala; 200,000 Equity Shares were allotted to Shriram Beriwala; 163,650 Equity Shares each, were allotted to Purushottam Beriwala and Govind Beriwal; 200,000 Equity Shares each, were allotted to Bina Beriwala and Suket Beriwal.*

11 *345,000 Equity Shares were allotted to Vanlila Consultants Private Limited, 630,000 Equity Shares were allotted to Yashashvi Securities Private Limited and 525,000 Equity Shares were allotted to Trumax Ispat Private Limited.*

12 *Buy-back offer made by the Company to all its then Shareholders, of which 174,000 Equity Shares and 126,000 Equity Shares at a price of ₹ 500 per Equity Share, were bought back by the Company from Vanlila Consultants Private Limited and from Yashashvi Securities Private Limited, respectively.*

13 *55,800,000 Equity Shares were allotted pursuant to bonus issuance in the ratio of 9:1 to the shareholders of the Company as on May 3, 2019, out of which, 256,860 Equity Shares were allotted to Vanlila Consultants Private Limited, 3,686,940 Equity Shares were allotted to Yashashvi Securities Private Limited, 2,700,000 Equity Shares were allotted to Saturn Vincom Private Limited, 4,725,000 Equity Shares were allotted to Trumax Ispat Private Limited, 2,189,430 Equity Shares each, were allotted to Lalit Beriwala, Ravi Beriwala and Brijesh Beriwala, 2,314,260 Equity Shares were allotted to Manish Beriwala, 3,200,310 Equity Shares each, were allotted to Purushottam Beriwala and Govind Beriwal, 12,083,400 Equity Shares were allotted to Shyam Sunder Beriwala, 9,467,640 Equity Shares were allotted to Shri Ram Beriwala, 1,249,650 Equity Shares each, were allotted to Bina Beriwala and Jyoti Beriwal, 842,580 Equity Shares each, were allotted to Anju Beriwala, Manjulata Beriwala and Vineeta Beriwala, 717,750 Equity Shares were allotted to Rashmi Beriwala, 247,500 Equity Shares were allotted to Maya Devi Beriwala, 1,604,700 Equity Shares were allotted to Puspa Devi Beriwala.*

Preference Share capital history of our Company

The history of the Preference Share capital of our Company is set forth in the table below.

Date of allotment	Number of Preference Shares allotted	Face value (₹)	Issue price per Preference Share (₹)	Nature of consideration	Reason for allotment	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital (in ₹)
March 29, 2003	450,000	10	100	Cash	Preferential allotment*# (1)	450,000	4,500,000
December 15, 2003	22,000	10	100	Cash	Preferential allotment# (2)	472,000	4,720,000
February 20, 2004	278,000	10	100	Cash	Preferential allotment# (3)	750,000	7,500,000
December 30, 2004	(472,000)	10	N.A.	N.A.	Conversion into Equity Shares # (4)	278,000	2,780,000
June 10, 2005	(278,000)	10	N.A.	N.A.	Conversion into Equity Shares# (5)	N.A.	N.A.
March 31, 2008	1,000,000	10	500	Cash	Preferential allotment^ (6)	1,000,000	10,000,000
January 29, 2009	500,000	10	500	Cash	Preferential allotment^ (7)	1,500,000	15,000,000

Date of allotment	Number of Preference Shares allotted	Face value (₹)	Issue price per Preference Share (₹)	Nature of consideration	Reason for allotment	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital (in ₹)
March 31, 2012	(1,500,000)	10	N.A.	N.A.	Conversion into Equity Shares ^ (8)	N.A.	N.A.

* *The allotment was made to more than 49 persons, in violation of provisions relating to public offering of securities under the Companies Act, 1956. The allotted Preference Shares were subsequently converted into equity shares (the "**Resultant Equity Shares**") and the existing holders of such Resultant Equity Shares were provided an exit opportunity in accordance with the process set out in the SEBI circulars - CIR/CFD/DIL3/18/2015 and CFD/DIL3/CIR/P/2016/53 dated December 31, 2015 and May 3, 2016, respectively. Our Company has filed a compounding application with the National Company Law Tribunal, Kolkata Bench through the RoC. For details, see "Risk Factors – Our Company had made an allotment of preference shares that was not in compliance with Section 67(3) of the Companies Act, 1956" on page 28.*

\# *12% non-cumulative convertible Preference Shares*
^ *1% cumulative convertible Preference Shares*

1 *20,000 Preference Shares were allotted to Boski Trade Comm Pvt Ltd; 15,000 Preference Shares each, were allotted to Antara Mercantile Private Limited, Anchal Towers Private Limited, S.P. Fiscal Services Private Limited, Scope Commodeal Private Limited, Napraaj Commercial Private Limited, Star Point Management Private Limited, Raunak Tracon Private Limited; 5,000 Preference Shares each, were allotted to Shipra Retailers Private Limited, Shree Laxmi Comm Private Limited, Rup Trade Comm Private Limited, Flexo Impex Private Limited, Vandana Tie-up Private Limited, J.M. Textiles Private Limited, Sri Bhagwati Consultancy Private Limited, Suraj Garh Diotech Cons Private Limited, Marubhumi Trancon Private Limited, Shaharsh Fiscal Services Private Limited, Veea Fiscal Services Private Limited, Wexford Tie-Up Private Limited, Canton Vinymay Private Limited, Marwari Traders Private Limited, Kavery Trading & Holding Private Limited, Drake Commercial Private Limited, MKK Zip Industries Private Limited, Evergreen Trafin Private Limited, Dipta Vanijya Private Limited, Girik Estates Private Limited, Kathleen Vyapaar Private Limited, Anindra Sales Private Limited, BGS Credit Private Limited, Bhomiya Suppliers Private Limited; 10,000 Preference Shares each, were allotted to Mars Dealers Private Limited, Veena Mercantiles Private Limited, Twinkle Traders Private Limited, Champak Niketan Private Limited, Aditi Samadhar Suvidha Private Limited, Puspak Trading & Consultancy Private Limited, Galvanotek Industries Private Limited, Nutshell Vyapaar Private Limited, Chek Sons Booking Co Private Limited, Dharamjyoti Vinimay Private Limited, Abex Infocom Private Limited, Monalisha Suppliers Private Limited, Sourav Kutirdhones Private Limited, Non-stop Plantation Limited, Melton Vincom Private Limited, Satyam Finance & Investment Co Private Limited and Nathoo Commodities Private Limited; 8,000 Preference Shares were allotted to Jalrashi Marketing Private Limited; 7,000 Preference Shares each, were allotted to Ginni Finance Private Limited and Sundeep Salt & Boomine Private Limited; 3,000 Preference Shares each, were allotted to Boski Distributors Private Limited and Witthal Distributors Private Limited; 2,000 Preference Shares each, were allotted Lepid Securities Private Limited, Cindrella Traders Private Limited and Globe Stock & Securities Limited; 1,000 Preference Shares were allotted to Virtuous Holding Private Limited.*
2 *2,000 Preference Shares were allotted to Derek Trexim Private Limited; 10,000 Preference Shares each, were allotted to Snapshot Tradelink Private Limited and Radico Trading Limited.*
3 *20,000 Preference Shares were allotted to Top Light Tradelink Private Limited; 15,000 Preference Shares each, were allotted to Gold Win Mercandile Private Limited, Khetan Trade Link Private Limited, Esskay Telecon Limited, Tech Mech Tie-up Private Limited, Shekwell Trading and Finance Private Limited and Monalisa Suppliers Private Limited; 10,000 Preference Shares each, were allotted to Champak Nicketan Private Limited, Puspak Trading and Consultancy Private Limited, Sky Lark Commerce Private Limited, Sampark Consultant Limited, Segment Mercantiles Private Limited, Exude Vincon Private Limited, Bortex Agro Private Limited, Carval Tradelink Private Limited, Achin Vyapaar Private Limited, Solar Mercantiles Private Limited, North Star Commodities Private Limited and Dawson Fabtrade Private Limited; 8,000 Preference Shares were allotted to Eastern Synthetics Private Limited; 5,000 Preference Shares each, were allotted to Lokpriya Trade and Agency Private Limited, Shree Laxmi Comm Private Limited, Antara Mercantile Private Limited, Liberal Spinners Limited, Ganpati Vincon Private Limited, Vasudha Commodeal Private Limited, Bensia Marketing Private Limited and Dee Anu Trading Co. Private Limited.*
4 *Conversion of 472,000 Preference Shares into 472,000 Equity Shares.*
5 *Conversion of 278,000 Preference Shares into 278,000 Equity Shares.*
6 *580,000 Preference Shares were allotted to Vanlila Consultants Private Limited; 420,000 Preference Shares were allotted to Yashashvi Securities Private Limited.*
7 *290,000 Preference Shares were allotted to Vanlila Consultants Private Limited and 210,000 Preference Shares were allotted to Yashashvi Securities Private Limited.*
8 *Conversion of 1,500,000 Preference Shares into 1,500,000 Equity Shares.*

2. **Issue of Equity Shares at price lower than the Issue Price in the last year**

Details of issue of Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus are set forth in the table below.

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for allotment
May 16, 2019	Allotment made to 20 allottees(1)	55,800,000	10	N.A.	N.A.	Bonus issue in the ratio of 9:1

(1) *For details of the names of allottees, see "Capital Structure - Notes to the capital structure - Equity Share capital history of our Company – Allotment made on May 16, 2019, beginning on pages 60-61". Amongst the 20 allottees, Saturn Vincom Private Limited, Trumax Ispat Private Limited, Shyam Sunder Beriwala, Shri Ram Beriwala, Bina Beriwala, Jyoti Beriwal, Anju Beriwala, Manjulata Beriwala, Vineeta Beriwala, Rashmi Beriwala, Maya Devi Beriwala and Puspa Devi Beriwala, form part of our Promoter Group.*

3. **Issue of Equity Shares for consideration other than cash or out of revaluation reserves**

Details of issue of Equity Shares for consideration other than cash are set forth in the table below.

Date of allotment of the Equity Shares	Number of the Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company
March 28, 2008	1,042,000	10	10	Allotment pursuant to the Scheme of Amalgamation	Allotment made to 32 allottees in respect of the Scheme of Amalgamation(1)	To facilitate better, efficient and economical management, control, administrative convenience and to pool the resources for growth, development and diversification of the businesses of the transferor companies and our Company.
May 16, 2019	55,800,000	10	N.A.	Bonus issue in the ratio of 9:1	Allotment made to 20 allottees(2)	N.A.

(1) *For details of the names of allottees, see "Capital Structure - Notes to the capital structure - Equity Share capital history of our Company – Allotment made on March 28, 2008, beginning on pages 60-61".*

(2) *For details of the names of allottees, see "Capital Structure - Notes to the capital structure - Equity Share capital history of our Company – Allotment made on May 16, 2019, beginning on pages 60-61".*

4. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters, Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Brijesh Beriwala and Manish Beriwala, hold 3,555,800, 3,555,800, 2,432,700, 2,432,600, 2,432,700 and 2,571,400 Equity Shares, respectively, aggregating to 27.39 % of the issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoters in our Company

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Issue capital (%)	Percentage of the post- Issue capital (%)
Purushottam Beriwala							
March 18, 2002	Initial subscription to the Memorandum of Association	10,000	Cash	10	10	0.02	[●]
December 26, 2002	Preferential allotment	55,000	Cash	10	10	0.09	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Issue capital (%)	Percentage of the post- Issue capital (%)
March 28, 2008	Allotment pursuant to Scheme of Amalgamation	54,400	Other than cash	10	N.A.	0.09	[●]
March 31, 2008	Preferential allotment	163,650	Cash	10	10	0.26	[●]
March 29, 2019	Transfer from Bina Beriwala	72,540	Gift	10	N.A.	0.12	[●]
May 16, 2019	Bonus issue	3,200,310	Bonus	10	N.A.	5.16	[●]
May 28, 2019	Transfer to Siddharth Beriwala Foundation Trust	(100)	Gift	10	N.A.	Negligible	
Total (A)		**3,555,800**				**5.74**	
Govind Beriwal							
March 18, 2002	Initial subscription to the Memorandum of Association	10,000	Cash	10	10	0.02	[●]
December 26, 2002	Preferential Allotment	55,000	Cash	10	10	0.09	[●]
March 28, 2008	Allotment pursuant to Scheme of Amalgamation	20,000	Cash	10	N.A.	0.03	[●]
March 31, 2008	Preferential Allotment	163,650	Cash	10	10	0.26	[●]
March 29, 2019	Transfer from Suket Beriwal	106,940	Gift	10	N.A.	0.17	[●]
May 16, 2019	Bonus issue	3,200,310	Bonus	10	N.A.	5.16	[●]
May 28, 2019	Transfer to Suket Beriwal Foundation Trust	(100)	Gift	10	N.A.	Negligible	
Total (B)		**3,555,800**				**5.74**	
Lalit Beriwala							
March 18, 2002	Initial subscription to the Memorandum of Association	10,000	Cash	10	10	0.02	[●]
December 26, 2002	Preferential allotment	55,000	Cash	10	10	0.09	[●]
March 28, 2008	Allotment pursuant to Scheme of Amalgamation	27,500	Cash	10	N.A.	0.04	[●]
March 31, 2008	Preferential allotment	293,450	Cash	10	10	0.47	[●]
March 28, 2012	Transfer to Manish Beriwala	(73,300)	Cash	10	10	(0.12)	[●]
March 29, 2019	Transfer to Shyam Sunder Beriwala	(69,380)	Gift	10	N.A.	(0.11)	[●]
May 16, 2019	Bonus issue	2,189,430	Bonus	10	N.A.	3.53	[●]
Total (C)		**2,432,700**				**3.92**	
Ravi Beriwala							
March 18, 2002	Initial subscription to the Memorandum of Association	10,000	Cash	10	10	0.02	[●]
December 26, 2002	Preferential allotment	55,000	Cash	10	10	0.09	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Issue capital (%)	Percentage of the post- Issue capital (%)
March 28, 2008	Allotment pursuant to Scheme of Amalgamation	16,250	Cash	10	N.A.	0.03	[●]
March 31, 2008	Preferential allotment	251,300	Cash	10	10	0.41	[●]
March 30, 2015	Transfer to Vineeta Beriwala	(15,000)	Cash	10	10	(0.02)	[●]
April 4, 2019	Transfer to Shyam Sunder Beriwala	(74,280)	Gift	10	N.A.	(0.12)	[●]
May 16, 2019	Bonus issue	2,189,430	Bonus	10	N.A.	3.53	[●]
May 23, 2019	Transfer to Raghav Beriwala Foundation Trust	(100)	Gift	10	N.A.	Negligible	[●]
Total (D)		**2,432,600**				**3.92**	
Brijesh Beriwala							
March 18, 2002	Initial subscription to the Memorandum of Association	10,000	Cash	10	10	0.02	[●]
December 26, 2002	Preferential allotment	55,000	Cash	10	10	0.09	[●]
March 28, 2008	Allotment pursuant to Scheme of Amalgamation	11,750	Cash	10	N.A.	0.02	[●]
March 31, 2008	Preferential allotment	251,300	Cash	10	10	0.41	[●]
March 30, 2015	Transfer to Anju Beriwala	(10,000)	Cash	10	10	(0.02)	[●]
June 29, 2017	Transfer pursuant to the HUF Partition	219,450	Gift	10	N.A.	0.35	[●]
March 29, 2019	Transfer to Shyam Sunder Beriwala	(225,610)	Gift	10	N.A.	(0.36)	[●]
March 29, 2019	Transfer to Anju Beriwala	(68,620)	Gift	10	N.A.	(0.11)	[●]
May 16, 2019	Bonus issue	2,189,430	Bonus	10	N.A.	3.53	[●]
Total (E)		**2,432,700**				**3.92**	
Manish Beriwala							
March 18, 2002	Initial subscription to the Memorandum of Association	10,000	Cash	10	10	0.02	[●]
December 26, 2002	Preferential allotment	55,000	Cash	10	10	0.09	[●]
March 28, 2008	Allotment pursuant to Scheme of Amalgamation	25,000	Cash	10	N.A.	0.04	[●]
March 31, 2008	Preferential allotment	224,550	Cash	10	10	0.36	[●]
March 28, 2012	Transfer from Lalit Beriwala	73,300	Cash	10	10	0.12	[●]
March 30, 2015	Transfer to Manish Beriwala (HUF)	(70,000)	Cash	10	10	(0.11)	[●]
June 28, 2017	Transfer pursuant to the HUF Partition	244,550	Gift	10	N.A.	0.39	[●]
March 29, 2019	Transfer to Shyam Sunder Beriwala	(225,510)	Gift	10	N.A.	(0.36)	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Issue capital (%)	Percentage of the post- Issue capital (%)
March 29, 2019	Transfer to Rashmi Beriwala	(79,750)	Gift	10	N.A.	(0.13)	[●]
May 16, 2019	Bonus issue	2,314,260	Bonus	10	N.A.	3.73	[●]
Total (F)		**2,571,400**				**4.15**	
Total (A+B+C+D+E+F)		**16,981,000**				**27.39**	[●]

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.

5. **Details of Equity Shares pledged by our Promoters and Promoter Group:** None of the Equity Shares held by our Promoters are pledged as on the date of this Draft Red Herring Prospectus. Our Promoters are required to maintain a certain percentage of the Equity Shares held by our Promoters, pledged pursuant to the terms of borrowing facilities availed by our Company. Post listing and commencement of trading of Equity Shares, certain Equity Shares of our Promoter and Promoter Group, other than the Equity Shares which are subject to minimum promoters' contribution, may have to be re-pledged under the terms of borrowing facilities. For further details in relation to our borrowings, see "*Financial Indebtedness*" beginning on page 252."

6. **Details of Promoters' contribution and lock-in**

a) Pursuant the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment, and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital of our Company shall be locked in for a period of one year from the date of Allotment.

b) Details of the Equity Shares to be locked-in for three years from the date of Allotment as minimum Promoter's contribution are set forth in the table below.

Name of Promoter	Date of allotment of the Equity Shares*	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	Number of Equity Shares locked-in	Percentage of the post- Issue paid-up capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *All Equity Shares allotted to our Promoters were fully paid-up at the time of allotment.*

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of the SEBI ICDR Regulations. In this connection, we confirm the following:

1. The Equity Shares offered for Promoters' contribution do not include Equity Shares acquired in the three immediately preceding years for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, or resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

2. The Promoters' contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

3. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company;

4. The Equity Shares forming part of the Promoters' contribution are not subject to any pledge; and

5. All the Equity Shares held by our Promoters are held in dematerialised form prior to filing of this Draft Red Herring Prospectus.

Other lock-in requirements:

1. In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Issue Equity Share capital of our Company, (other than the Equity Shares offered pursuant to the Offer for Sale) will be locked-in for a period of one year from the date of Allotment. Any unsubscribed portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

2. The Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to another Promoter or to any new promoter of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

3. The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or systemically important non-banking finance companies or housing finance companies, provided that pledge of the Equity Shares is one of the terms of the sanction of loans. The lock-in may continue pursuant to the invocation of pledge; however, the transferee shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period.

4. The Equity Shares held by persons other than the Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

5. Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

7. **Equity Share Capital held by our Promoter Group**

As on the date of this Draft Red Herring Prospectus, our Promoter Group holds 40,637,000 Equity Shares, constituting 65.54 % of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

8. **Equity Share Capital held by the Selling Shareholders**

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 33,334,000 Equity Shares, constituting 53.76 % of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

9. Other than as disclosed below, our Promoter Group, our Directors and their relatives have not purchased or sold any Equity Shares during a period of six months preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus. For details of shareholding of our Directors, see "*Our Management - Shareholding of Directors in our Company*" on page 154:

Date of transaction	Name of transferor	Name of transferee	Total number of Equity Shares transferred	Percentage of issued and paid-up capital of our Company	Transaction price per Equity Shares* (in ₹)
March 29, 2019	Bina Beriwala	Purushottam Beriwala	72,540	0.12	N.A.
	Manjulata Beriwala	Shyam Sunder Beriwala	156,230	0.25	N.A.
	Vineeta Beriwala	Shyam Sunder Beriwala	151,330	0.24	N.A.
	Suket Beriwal	Govind Beriwal	106,940	0.17	N.A.
	Lalit Beriwala	Shyam Sunder Beriwala	69,380	0.11	N.A.
	Brijesh Beriwala	Shyam Sunder Beriwala	225,610	0.36	N.A.
	Brijesh Beriwala	Anju Beriwala	68,620	0.11	N.A.
	Manish Beriwala	Rashmi Beriwala	79,750	0.13	N.A.

Date of transaction	Name of transferor	Name of transferee	Total number of Equity Shares transferred	Percentage of issued and paid-up capital of our Company	Transaction price per Equity Shares* (in ₹)
	Shriram Beriwala	Shyam Sunder Beriwala	31,660	0.05	N.A.
	Manish Beriwala	Shyam Sunder Beriwala	225,510	0.36	N.A.
March 30, 2019	Jyoti Beriwal	Shriram Beriwala	335,000	0.54	N.A.
	Suket Beriwal	Shriram Beriwala	93,060	0.15	N.A.
	Bina Beriwala	Shriram Beriwala	428,060	0.69	N.A.
April 4, 2019	Ravi Beriwala	Shyam Sunder Beriwala	74,280	0.12	N.A.
May 23, 2019	Shyam Sunder Beriwala	Puspa Devi Beriwala	1,300,000	2.10	N.A.
	Shriram Beriwala	Govind Jyoti Foundation Trust	4,143,100	6.68	N.A.
	Maya Devi Beriwala	Govind Jyoti Foundation Trust	2,75,000	0.44	N.A.
	Ravi Beriwala	Raghav Beriwala Foundation Trust	100	Negligible	N.A.
May 24, 2019	Shriram Beriwala	Purushottam Bina Foundation Trust	4,418,100	7.13	N.A.
	Shyam Sunder Beriwala	Ravi Vineeta Foundation Trust	1,600,000	2.58	N.A.
May 28, 2019	Purushottam Beriwala	Siddharth Beriwala Foundation Trust	100	Negligible	N.A.
	Govind Beriwal	Suket Beriwal Foundation Trust	100	Negligible	N.A.
	Shyam Sunder Beriwala	Lalit Manjulata Foundation Trust	2,530,000	4.08	N.A.
	Shyam Sunder Beriwala	Brijesh Anju Foundation Trust	1,600,000	2.58	N.A.
	Shyam Sunder Beriwala	Manish Rashmi Foundation Trust	670,000	1.08	N.A.

* *All transfers were by way of gift.*

10. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Total								
(A)	**Promoter and Promoter Group**	26	57,618,000	–	–	57,618,000	92.93	57,618,000	57,618,000	92.93	–	92.93		–		–	57,618,000
(B)	**Public**	2	4,382,000	–	–	4,382,000	7.07	4,382,000	4,382,000	7.07	–	7.07		–		–	4,382,000
(C)	**Non Promoter- Non Public**	–	–	–	–	–	–	–	–	–	–	–		–		–	–
(C1)	**Shares underlying DRs**	–	–	–	–	–	–	–	–	–	–	–		–		–	–
(C2)	**Shares held by Employee Trusts**	–	–	–	–	–	–	–	–	–	–	–		–		–	–

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+ (V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Total								
	Total	28	62,000,000	–	–	62,000,000	100	62,000,000	62,000,000	100	–	100		–		–	62,000,000

11. **Details of equity shareholding of the major equity Shareholders of our Company**

(i) The details regarding the equity Shareholders holding 1% or more of the paid-up capital of the Company and the number of equity shares held by them as on the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Shyam Sunder Beriwala	5,726,000	9.24
2.	Trumax Ispat Private Limited	5,250,000	8.47
3.	Purushottam Bina Foundation Trust	4,418,100	7.13
4.	Govind Jyoti Foundation Trust	4,418,100	7.13
5.	Yashashvi Securities Private Limited	4,096,600	6.61
6.	Purushottam Beriwala	3,555,800	5.74
7.	Govind Beriwal	3,555,800	5.74
8.	Puspa Devi Beriwala	3,083,000	4.97
9.	Saturn Vincom Private Limited	3,000,000	4.84
10.	Manish Beriwala	2,571,400	4.15
11.	Lalit Manjulata Foundation Trust	2,530,000	4.08
12.	Lalit Beriwala	2,432,700	3.92
13.	Brijesh Beriwala	2,432,700	3.92
14.	Ravi Beriwala	2,432,600	3.92
15.	Shri Ram Beriwala	1,958,400	3.16
16.	Ravi Vineeta Foundation Trust	1,600,000	2.58
17.	Brijesh Anju Foundation Trust	1,600,000	2.58
18.	Bina Beriwala	1,388,500	2.24
19.	Jyoti Beriwal	1,388,500	2.24
20.	Manjulata Beriwala	936,200	1.51
21.	Vineeta Beriwala	936,200	1.51
22.	Anju Beriwala	936,200	1.51
23.	Rashmi Beriwala	797,500	1.29
24.	Manish Rashmi Foundation Trust	670,000	1.08
	Total	**61,714,300**	**99.54**

(ii) The details regarding the equity Shareholders holding 1% or more of the paid-up capital of the Company and the number of equity shares held by them 10 days prior to the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Shyam Sunder Beriwala	13,426,000	21.65
2.	Shri Ram Beriwala	10,519,600	16.97
3.	Trumax Ispat Private Limited	5,250,000	8.47
4.	Yashashvi Securities Private Limited	4,096,600	6.61
5.	Govind Beriwal	3,555,900	5.74
6.	Purushottam Beriwala	3,555,900	5.74
7.	Saturn Vincom Private Limited	3,000,000	4.84
8.	Manish Beriwala	2,571,400	4.15
9.	Brijesh Beriwala	2,432,700	3.92
10.	Lalit Beriwala	2,432,700	3.92
11.	Ravi Beriwala	2,432,700	3.92
12.	Puspa Devi Beriwala	1,783,000	2.88
13.	Bina Beriwala	1,388,500	2.24
14.	Jyoti Beriwal	1,388,500	2.24
15.	Anju Beriwala	936,200	1.51
16.	Manjulata Beriwala	936,200	1.51
17.	Vineeta Beriwala	936,200	1.51
18.	Rashmi Beriwala	797,500	1.29
	Total	**61,439,600**	**99.10**

(iii) The details regarding the equity Shareholders holding 1% or more of the paid-up capital of the Company and the number of equity shares held by them two years prior to the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Trumax Ispat Private Limited	525,000	8.47
2.	Yashashvi Securities Private Limited	409,660	6.61
3.	Shyam Sunder Beriwala	408,600	6.59
4.	Govind Beriwal HUF	363,550	5.86
5.	Purushottam Beriwala HUF	358,450	5.78
6.	Brijesh Beriwala	318,050	5.13
7.	Manish Beriwala	317,850	5.13
8.	Ravi Beriwala	317,550	5.12
9.	Lalit Beriwala	312,650	5.04
10.	Saturn Vincom Private Limited	300,000	4.84
11.	Purushottam Beriwala	283,050	4.57
12.	Bina Beriwala	281,000	4.53
13.	Govind Beriwal	248,650	4.01
14.	Manish Beriwala HUF	244,550	3.94
15.	Lalit Beriwala HUF	234,850	3.79
16.	Shriram Beriwala	227,500	3.67
17.	Brijesh Beriwala HUF	219,450	3.54
18.	Ravi Beriwala HUF	214,950	3.47
19.	Suket Beriwal	200,000	3.23
20.	Puspa Devi Beriwala	178,300	2.88
21.	Jyoti Beriwal	110,300	1.78
	Total	**6,073,960**	**97.97**

(iv) The details regarding the equity Shareholders holding 1% or more of the paid-up capital of the Company and the number of equity shares held by them one year prior to the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Bina Beriwala	639,450	10.31
2.	Manish Beriwala	562,400	9.07
3.	Brijesh Beriwala	537,500	8.67
4.	Trumax Ispat Private Limited	525,000	8.47
5.	Jyoti Beriwal	473,850	7.64
6.	Yashashvi Securities Private Limited	409,660	6.61
7.	Shyam Sunder Beriwala	408,600	6.59
8.	Ravi Beriwala	317,550	5.12
9.	Lalit Beriwala	312,650	5.04
10.	Saturn Vincom Private Limited	300,000	4.84
11.	Purushottam Beriwala	283,050	4.57
12.	Manjulata Beriwala	249,850	4.03
13.	Govind Beriwal	248,650	4.01
14.	Vineeta Beriwala	244,950	3.95
15.	Shri Ram Beriwala	227,500	3.67
16.	Suket Beriwal	200,000	3.23
17.	Puspa Devi Beriwala	178,300	2.88
	Total	**6,118,960**	**98.69**

12. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.

13. Except as disclosed in "*Capital Structure - Notes to the capital structure - Equity Share capital history of our Company – Allotment made on March 28, 2008*" beginning on pages 60-61, as on the date of this Draft Red Herring Prospectus,

our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

14. Except as disclosed in "*Capital Structure - Notes to the capital structure - Preference Share capital history of our Company – Allotment made on March 29, 2003"* on pages 60-61, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

15. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment.

16. As on the date of filing of this Draft Red Herring Prospectus, our Company has 28 Shareholders.

17. Neither our Company, nor the Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not entered into any buy-back arrangements for purchase of Equity Shares from any person.

18. Except as disclosed in "*Our Management*" beginning on page 147, none of our Directors or Key Managerial Personnel hold any Equity Shares of our Company.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue by our Company and Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Issue expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

Requirement of funds

Our Company propose to utilise the Net Proceeds towards funding the following objects:

(1) Repayment/prepayment of certain borrowings of our Company and our Subsidiary, SSML; and

(2) General corporate purposes.

(collectively, referred to herein as the "**Objects**").

In addition, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The objects clause as set out in the Memorandum of Association enables our Company (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds. The objects clause as set out in the memorandum of association of SSML enables it (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds.

The details of the Net Proceeds are set out below:

Particulars	Estimated amount (in ₹ million)*
Gross Proceeds of the Fresh Issue	2,000
Less: Issue expenses in relation to the Fresh Issue*	[●]
Net Proceeds*	[●]

* *To be determined upon finalisation of the Issue Price.*

Utilisation of net proceeds

The Net Proceeds are proposed to be used in accordance with the details set out below:

Particulars	Amount (in ₹ million)
Repayment/prepayment of certain borrowings of our Company and SSML	1,550
General corporate purposes*	[●]
Net Proceeds**	*[●]*

* *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*
** *To be determined upon finalisation of the Issue Price.*

Schedule of Implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Particulars	Amount to be funded from the Net Proceeds (in ₹ million)	Estimated schedule of deployment of Net Proceeds in Fiscal 2020 (in ₹ million)	Estimated schedule of deployment of Net Proceeds in Fiscal 2021 (in ₹ million)
Repayment/prepayment of certain borrowings of our Company and SSML	1,550	775	775
General corporate purposes*	[●]	[●]	[●]
Total	[●]	[●]	[●]

* *To be determined upon finalisation of the Issue Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details, see "*Risk Factors – Our management will have broad discretion in the manner in which we utilise the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution*" beginning on page 34.

In case of any increase in the actual utilisation of funds earmarked for any of the objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by way of means available to us, including by way of incremental debt or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with applicable law.

Means of Finance

The fund requirements set out below are proposed to be funded from the Net Proceeds and internal accruals. Our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance.

Details of utilisation of Net Proceeds

(1) Repayment/prepayment of all or certain portion of the borrowings of our Company and SSML

Our Company and SSML have entered into financing arrangements with various banks and financial institutions for availing terms loans and working capital loans. For details of our outstanding borrowings, see "*Financial Statements*" and "*Financial Indebtedness*" beginning on pages 171 and 252, respectively.

Our Company and SSML may repay or refinance some loans set out in the table below, prior to Allotment. In such a situation, our Company may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any existing loans of our Company and SSML.

Our Company may choose to repay or pre-pay certain borrowings availed by our Company and SSML, other than those identified in the table below, which may include additional borrowings that our Company and SSML may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment / pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by the Company and SSML. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in Fiscal 2021 may be repaid/ pre-paid in part or full by our Company in Fiscal 2020.

The selection of borrowings proposed to be repaid/pre-paid by our Company and SSML shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, and (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Our Company believes that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. In addition, our Company believes that the strength of our balance sheet and the leverage capacity of our Company will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

To the extent the Net Proceeds of the Issue are utilized to repay/pre-pay any of the loans availed by SSML, we shall be deploying the Net Proceeds of the Issue in SSML in the form of equity and /or debt or a combination thereof or in any other manner as may be mutually decided. The proportion of deployment in equity and /or debt has not been finalized as on the date of this Draft Red Herring Prospectus.

Our Company proposes to utilise an amount of ₹ 1,550 million from the Net Proceeds towards repayment or prepayment, in part or full, of certain borrowings listed in the table below. The following table provides details of certain borrowings availed by our Company and SSML which are outstanding as on March 31, 2019, out of which our Company and SSML may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds, without any obligation to any financial institution:

Name of the lender	Name of the borrower	Nature of borrowing	Amount sanctioned as on March 31, 2019 (in ₹ million)	Amount outstanding as on March 31, 2019 (in ₹ million)	Interest rate (% per annum)	Purpose of availing loan	Repayment schedule	Prepayment penalty/ conditions
State Bank of India#	Shyam Steel Industries Limited	Fund based working capital	1,450.00	1,042.61	Cash credit: Linked to SBI's one year MCLR + 75 bps per annum WCDL: 8%-9% per Annum	For financing working capital requirements of the business*	Cash Credit : Repayable on demand WCDL : repayable at the end of the tenure	Nil
Axis Bank Limited#	Shyam Steel Industries Limited	Fund based working capital	270.00	192.34	Cash credit: Linked to Axis Bank's three months MCLR +20 bps per annum WCDL: Linked to Axis Bank's one month MCLR +20 bps per annum	For financing working capital requirements of the business*	Cash Credit : Repayable on demand WCDL : repayable at the end of the tenure	Nil
Union Bank of India	Shyam Steel Industries Limited	Fund based working capital	530.00	100.00	Cash Credit: Linked to Union Bank of India's one year MCLR + 70 bps per annum WCDL: Linked to Union Bank of India's three month MCLR + 55 bps per annum	For financing working capital requirements of the business*	Cash Credit : Repayable on demand WCDL : repayable at the end of the tenure	Nil

Name of the lender	Name of the borrower	Nature of borrowing	Amount sanctioned as on March 31, 2019 (in ₹ million)	Amount outstanding as on March 31, 2019 (in ₹ million)	Interest rate (% per annum)	Purpose of availing loan	Repayment schedule	Prepayment penalty/ conditions
State Bank of India#	Shyam Steel Manufacturing Limited	Fund based working capital	550.00	415.95	Cash Credit: Linked to State Bank of India's one year MCLR +75 bps per annum WCDL: 8% - 9% per annum	For financing working capital requirements of the business@	Cash Credit : Repayable on demand WCDL : repayable at the end of the tenure	Nil
Allahabad Bank	Shyam Steel Manufacturing Limited	Fund based working capital	182.50	150.69	Cash Credit: Linked to Allahabad Bank's one year MCLR + 45 bps per annum WCDL: Tenor linked MCLR	For financing working capital requirements of the business@	Cash Credit : Repayable on demand WCDL : repayable at the end of the tenure	Nil
Union Bank of India	Shyam Steel Manufacturing Limited	Fund based working capital	267.50	264.98	Cash Credit: Linked to Union Bank of India's one year MCLR + 60 bps per annum WCDL: Linked to Union Bank of India's one year MCLR + 55 bps per annum	For financing working capital requirements of the business@	Cash Credit : Repayable on demand WCDL : repayable at the end of the tenure	Nil
Total			**3,250.00**	**2166.57**				

Axis and SBICAP, two of our Book Running Lead Managers in the Issue, are affiliates of our lenders, namely, Axis Bank Limited and State Bank of India. However, on account of this relationship, Axis and SBICAP do not qualify as associates of our Company in terms of Regulations 21(A)(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and the SEBI ICDR Regulations.

* *Pursuant to a report dated May 29, 2019, issued by Statutory Auditors of SSIL, B S R & Co. LLP, they have reported that the amounts drawn-down under the aforementioned borrowings have been utilized towards the purposes for which such borrowings have been sanctioned as per the procedures performed by them detailed in their report.*

@ *Pursuant to a report dated May 30, 2019, issued by the statutory auditor of SSML, our Subsidiary, Singhi & Co., they have reported that the amounts drawn-down under the aforementioned borrowings have been utilized towards the purposes for which such borrowings have been sanctioned as per the procedures performed by them detailed in their report.*

(2) General corporate purposes

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes and the business requirements of our Company and the Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Issue expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the Book Running Lead Managers, fees payable to legal counsels, fees payable to the Registrar to the Issue, Escrow Collection Bank to the Issue and Sponsor Bank, including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Except for listing fees which shall be solely borne by our Company, all Issue expenses will be shared, upon successful completion of the Issue, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale. However, in the event that the Issue is withdrawn by our Company or not completed for any reason whatsoever, all the Issue expenses will be solely borne by our Company. The break up for the estimated Issue expenses is as follows:

Activity	Estimates expenses(1) (in ₹ million)	As a % of total estimated Issue expenses(1)	As a % of the total Issue size(1)
Book Running Lead Managers fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and fees payable to the Sponsor Banks for Bids made by RIBs using UPI (2)(3)	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Listing fees, SEBI filing fees, book building software fees	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Fee payable to legal counsels	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) Amounts will be finalised on determination of Issue Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE

(3) Sponsor Banks will be entitled to a commission of ₹[●] per every valid ASBA Form for Bids made by RIBs using UPI Mechanism.

(4) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*
Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Bidders**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

(5) *Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for Retail Individual Bidders	*[●] % of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●] %of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*
The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.
Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus GST, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.
The selling commission and Bidding Charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

Monitoring Utilization of Funds

In terms of the SEBI ICDR Regulations, our Company shall appoint [●] as the monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to the Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. In accordance with Regulation 47 of the SEBI Listing Regulations, this information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after review by our Audit Committee and its explanation in the directors' report.

Variation in Objects of the Issue

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of the Company, in accordance with the Companies Act, 2013, read with relevant rules. The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel for any material existing or anticipated transactions. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see "*Our Business*", "*Risk Factors*" and "*Financial Statements*" beginning on pages 124, 23 and 171, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Premium branded TMT Rebar player with focus on Retail Customers;
- Successful expansion through focus on backward integration and selective inorganic expansion;
- Strong and consistent financial performance with low leverage;
- Strong brand recall with a robust sales process; and
- Experienced management and operational team and with strong domain expertise.

For details, see "*Our Business – Our Competitive Strengths*" beginning on page 125.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Information. For details, see "*Financial Statements*" on page 171.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS"):

For Fiscal ended	Basic and Diluted	
	EPS (in ₹)	Weight
March 31, 2016	1.09	1
March 31, 2017	6.83	2
March 31, 2018	17.63	3
Weighted Average	11.27	-
For the nine months period ended December 31, 2018*	21.19	-

Note:

1. Earnings per share calculations are in accordance with Ind AS 33 " Earning Per Share" The ratios have been computed as below:

a. Basic earnings per share = Earning Per Share (Basic)= Restated Consolidated profit for the period/ year attributable to equity shareholders/ Weighted average number of equity shares outstanding during the period/ year

** (Earnings per share is not annualised for the nine months period ended December 31, 2018)*

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

B. Price/Earning ("P/E") ratio in relation to the in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2018 on Restated Consolidated Financial Information	[●]	[●]
Based on basic EPS for Fiscal 2018 on Restated Consolidated Financial Information	[●]	[●]

Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section highest P/E ratio is 36.15, the lowest P/E ratio is 4.46, the average P/E ratio is 17.25.

1. The highest and lowest Industry P/E shown above is based on the peer set provided below under "Comparison with listed *industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "- Comparison with listed industry peers" hereunder.*

2. *For Industry P/E, P/E figures for the peers are computed based on closing market price as on March 28, 2018 at BSE, divided by Basic EPS (on consolidated basis) based on the annual reports of such companies for the Fiscal 2018. Since March 31, 2018 was a holiday, preceding available working day has been taken for the closing share price.*

C. Return on Net Worth ("RoNW")

As per Restated Consolidated Financial Information:

Fiscal ended	RoNW (%)	Weight
March 31, 2016	1.66	1
March 31, 2017	9.70	2
March 31, 2018	19.37	3
Weighted Average	13.20	
For the nine months period ended December 31, 2018*	18.88	

**(Not annualized)*
Note:
Return on Net worth (%) = Restated Consolidated profit for the year available for the equity shareholders / Restated Consolidated Net worth attributable to equity shareholders for the period/year ended
Net worth for ratios mentioned = Equity share capital + Other Equity, both as per the restated consolidated financial information as at December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016

D. Net Asset Value ("NAV") per Equity Share

Fiscal ended/ Period ended	Restated Consolidated Financial Information (₹)
As at March 31, 2018 – NAV	91.00
As at December 31, 2018 – NAV	112.22
After the Issue	[●]
Issue Price	[●]

Note:
Net Asset Value per Share (Rs.) = Restated Consolidated net worth attributable to the equity shareholders at the end of the period/ year / Number of Equity Shares outstanding at the period/ year
Net worth for ratios mentioned = Equity share capital + Other Equity, both as per the restated consolidated financial information as at December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016

E. Comparison with listed industry peers

Name of the company	Total Income for Fiscal 2018 (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS as at March 31, 2018 (Basic) (₹)	RoNW (%)	NAV as at March 31, 2018 (₹)
Shyam Steel Industries Limited	21,629.04	10.00	[●]	17.63	19.37	91.00
Jindal Steel and Power Limited#	2,78,442.50	1.00	NA*	-15.38	-5.24	318.46
JSW Steel Limited#	7,16,700.00	1.00	11.14	25.85	22.20	114.43
Kamdhenu Limited#	11,880.40	10.00	36.15	6.70	10.91	61.37
Steel Authority of India Limited#	5,93,813.50	10.00	NA*	-0.68	-0.76	89.45
Tata Steel Limited#	13,39,258.20	10.00	4.46	128.12	28.74	513.80

Source: BSE
**P/E is not applicable since Jindal Steel and Power Limited and Steel Authority of India Limited has incurred a loss for the year ended Fiscal 2018.*
#Notes:

1. *All financials are on a consolidated basis for the financial year ending March 31, 2018*
2. *P/E ratio is calculated as closing share price (March 28, 2018 - BSE) / Basic EPS for year ended March 31, 2018.*
3. *Basic Earnings per share as reported in the relevant annual reports for Fiscal 2018. Since March 31, 2018 was a holiday, preceding available working day has been taken for the closing share price.*

Return on Net worth (%) = Restated Consolidated profit for the year available for the equity shareholders / Restated Consolidated Net worth attributable to equity shareholders for the period/year ended
Net Asset Value per Share (Rs.) = Restated Consolidated net worth attributable to the equity shareholders at the end of the period/ year / Number of Equity Shares outstanding at the period/ year

F. The Issue Price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company and Selling Shareholders in consultation with the Book Running Lead Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 23, 124, 255 and 171, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" beginning on page 23 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS FOR OUR COMPANY

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHYAM STEEL INDUSTRIES LIMITED AND ITS SHAREHOLDERS

The Board of Directors
Shyam Steel Industries Limited
Shyam Towers,
EN - 32, Sector-V, Salt Lake,
Kolkata - 700091
West Bengal, India

29 May 2019

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to Shyam Steel Industries Limited ("the Company") and its shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations")

We hereby report that the enclosed Statement in Annexure I and II prepared by the Company, initialed by us and the Company for identification purpose, states the possible special-tax benefits available to the Company and its shareholders under direct and indirect taxes as stated in Annexure I (together "the Tax Laws"), presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The preparation of the enclosed Statement in Annexure I and II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising an initial issue of equity shares of the Company and an offer for sale of equity shares by certain shareholders of the Company (the "Issue"), particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This Statement is not to be reproduced, published or used for any other purpose without our prior consent in writing, other than for inclusion of extracts of this Statement in Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this Statement to Securities and Exchange Board of India, the stock exchanges where Equity Shares of the Company are proposed to be listed and the relevant Registrar of Companies in India, in connection with the proposed Issue, as the case may be.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership number: 055757
Place: Kolkata
Date: 29 May 2019

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sl. No.	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017
5.	Customs Act, 1962 and Customs Tariff Act, 1975, (as amended)
6.	Foreign Trade Policy 2015-2020

ANNEXURE II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHYAM STEEL INDUSTRIES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES AS STATED IN ANNEXURE I ("TAX LAWS")

Outlined below are the possible special income-tax benefits available to the Company and its shareholders under the tax laws in force in India (i.e. applicable for the financial year 2019-20 relevant to the assessment year 2020-2021). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. UNDER THE INCOME TAX LAWS

1. Possible special income-tax benefits available to the Company under the Income-tax Act, 1961

In accordance with and subject to the conditions specified under Section 80-IA of the Act, the Company is eligible for hundred percent deduction of the profits derived from generation of power where generation of power has begun on or before 31 March 2017.

2. Possible special income-tax benefits to shareholders of the Company under the Income-tax Act, 1961

There are no special tax benefits available to the shareholders of the Company under the Tax Laws.

Note:

1. *The above statement is as per the current tax law as amended by the Finance Act, 2019.*
2. *The possible Income Tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.*
3. *The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
4. *The above statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*
5. *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

For **Shyam Steel Industries Limited**

Nikunj Beriwal
Chief Financial Officer

Place: Kolkata
Date: 29 May 2019

B. UNDER THE INDIRECT TAX LAWS

Benefits available to Shyam Steel Industries Limited ('the Company') and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under and Foreign Trade Policy 2015-2020 are as under.

1. Special Tax Benefits available to the Company

No special tax benefits available to the Company. The Company is however availing export benefits like MEIS scrips and duty drawback.

2. Special Tax Benefits available to the Shareholders of the Company

With respect to the business transaction of the Company, the shareholders of the Company are also not eligible to any special indirect tax benefits.

Note:
1. *The above is as per the prevalent Tax Laws as on date.*
2. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*

For **Shyam Steel Industries Limited**

Nikunj Beriwal
Chief Financial Officer

Place: Kolkata
Date: 29 May 2019

STATEMENT OF SPECIAL TAX BENEFITS FOR SSML

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHYAM STEEL MANUFACTURING LIMITED AND ITS SHAREHOLDERS

The Board of Directors
Shyam Steel Manufacturing Limited
Shyam Towers,
EN - 32, Street Number 8,
Kolkata - 700091
West Bengal, India

Date: 30th May, 2019

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to Shyam Steel Manufacturing Limited ("SSML") and its shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

We hereby report that the enclosed Statement in Annexure II prepared by the management of SSML, initialed by us and the by one of the director of SSML for identification purpose, states the possible special tax benefits available to SSML and its shareholders under direct and indirect taxes as stated in Annexure I (together "the Tax Laws"), presently in force in India as on the signing date. These possible special tax benefits are dependent on SSML and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of SSML and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives SSML may face in the future and accordingly, SSML and its shareholders may or may not choose to fulfill.

The preparation of the enclosed Statement in Annexure II and its contents is the responsibility of the management of SSML. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of Shyam Steel Industries Limited, the holding Company of SSML, comprising of fresh issue of equity shares and an offer for sale of equity shares by certain shareholders (the "Issue"), particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We do not express any opinion or provide any assurance as to whether:

iii) SSML and its shareholders will continue to obtain these possible special tax benefits in future; or

iv) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Statement are based on the information, explanation and representations obtained from SSML and on the basis of our understanding of the business activities and operations of SSML.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to SSML or Shyam Steel Manufacturing Industries Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of the Statement.

We hereby give consent to include this Statement in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Singhi & Co

Chartered Accountants

Firm’s Registration No: 302049E

Aditya Singhi

Partner

Membership number: 305161
UDIN Number: 19305161AAAAAP9907

Place: Kolkata
Date: 30th May 2019

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr, No:	Details of tax laws
1.	**Indirect Taxation** Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy 2015-2020.
2.	**Income-tax Act, 1961**

ANNEXURE II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHYAM STEEL MANUFATURING LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES AS STATED IN ANNEXURE I ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders and its material subsidiaries under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. Indirect Taxation

Benefits available to Shyam Steel Manufacturing Limited ('the Company'); and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy 2015-2020 are as under.

1. <u>Special Tax Benefits available to the Company</u>

No special tax benefits available to the company. However, Shyam Steel Manufacturing Limited has been availing the export benefits viz. MEIS scrips and duty drawback.

2. <u>Special Tax Benefits available to the Shareholders of the Company</u>

Not applicable

B. Direct Tax

Outlined below are the possible income-tax benefits available to the Company and its shareholders under the tax laws in force in India (i.e. applicable for the financial year 2019-20 relevant to the assessment year 2020-21). These possible tax benefits are dependent of the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

1. <u>Special income-tax benefits available to the Company</u>

In accordance with and subject to the conditions specified under Section 80-IA of the Act, the Company is eligible for hundred percent deduction of the profits derived from generation of power where generation of power has begun on or before March 31, 2017.

2. <u>Special income tax Benefits available to the Shareholders of the Company</u>

There are no special tax benefits available to the shareholders of the Company.

Notes:

3. We *have not considered the general tax benefits available to the Company, or shareholders of the Company.*
4. *The above is as per the prevalent Tax Laws as on date.*
5. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
6. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them under the laws of such jurisdiction.*

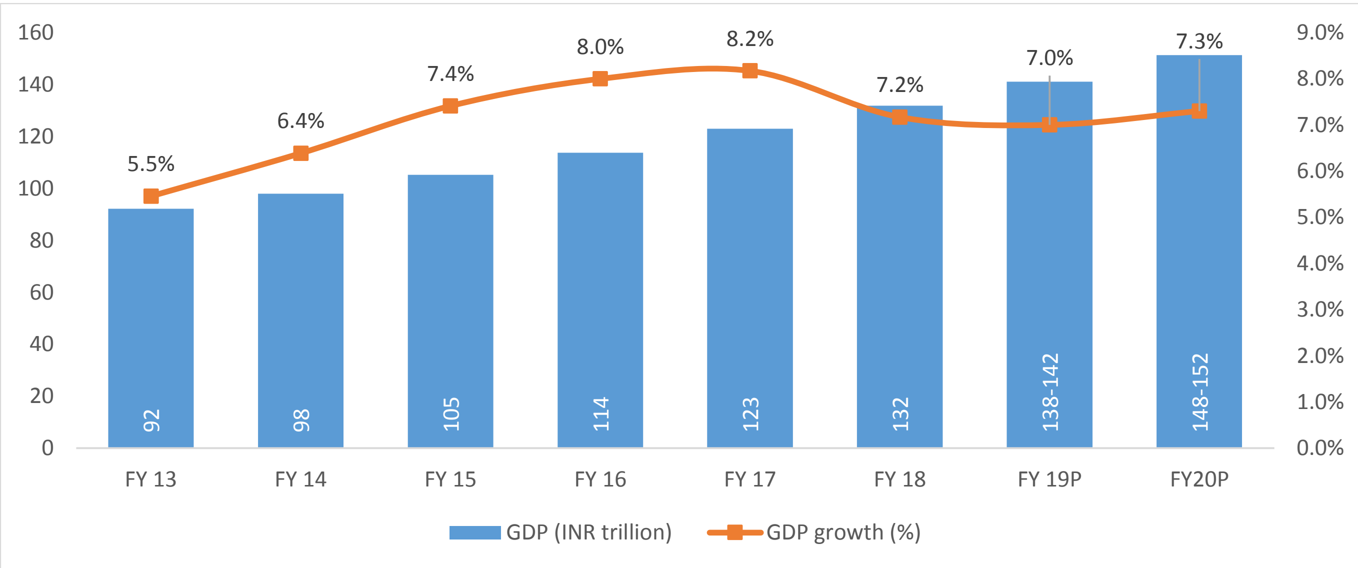
INDUSTRY OVERVIEW

*The information contained in this section is derived from the CRISIL research report titled "Market assessment for Indian Steel Industry (TMT Bars)" published in May 2019, ("**CRISIL Report**"), and other publicly available sources. Neither we, nor any other person connected with the industry has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The information derived from the CRISIL Report highlight certain industry and market data relating to us and our competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in our industry, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions inherent in the information provided by CRISIL Research are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry information provided in this section is not a recommendation to invest or disinvest in us or any company to which reference is made herein. You are advised not to unduly rely on the industry reports or industry information when making your investment decision.*

Indian-Macro Economic Review

CRISIL Research believes that GDP grew at 7.2% CAGR over past five years. India adopted fiscal 2012 as the new base year for calculating gross domestic product (GDP). With this base, GDP shot up from INR 92 trillion in fiscal 2013 to INR 132 trillion in fiscal 2018, at 7.4% compound annual growth rate (CAGR). As per the Central Statistics Office (CSO), GDP growth was at 7.2% in fiscal 2018, driven by faster growth in second half of the fiscal.

Real GDP Growth in India (FY 2012 Series)



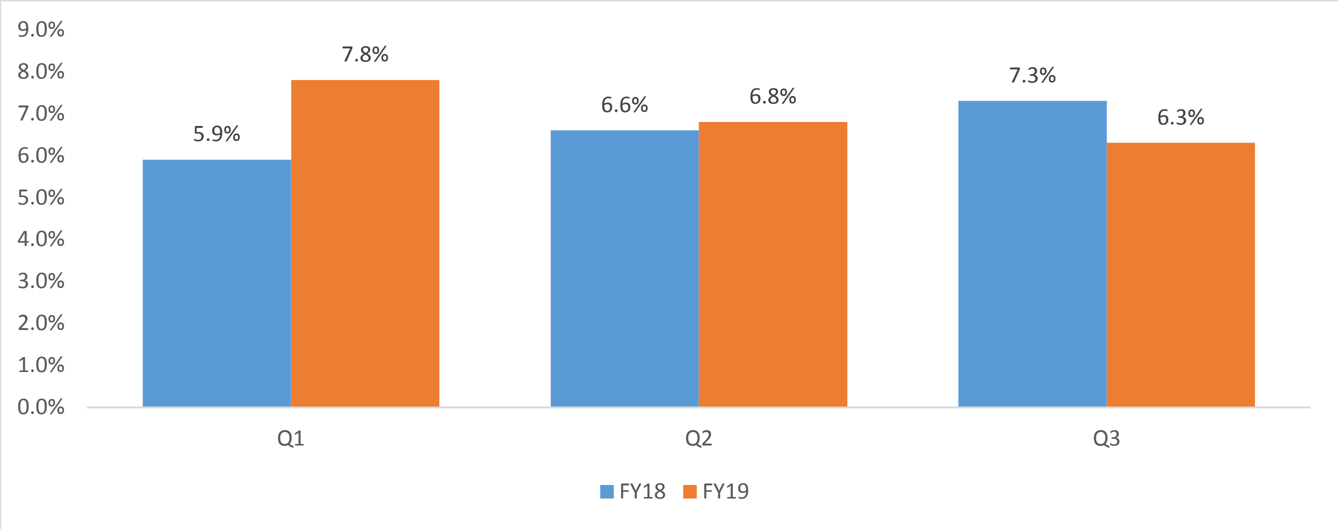
Source: Central Statistics Office (CSO), CRISIL Research

The Central Statistics Office (CSO) estimates India's economy to grow 7.0% this fiscal, driven by investments and government consumption.

According to the CRISIL Report, the investment ratio is estimated to surge to 32.9% after waddling at 30-31%in the past 4-5 years. Fixed investments are seen growing at 12.2%, up from 7.6% in fiscal 2018, mainly because of government spending in construction activity and a pick-up in private investments. Spending (by the centre and states) on construction of rural roads, highways and affordable housing drove government investment, while private investment picked up in select sectors such as auto, cement and steel where capacity utilisation levels rose.

In Fiscal 2020, CRISIL expects GDP to grow 7.3%. The key drivers are expected to be private consumption and investment. With weak global environment, India will have to lean on domestic factors. With the government pursuing a fiscal consolidation path, the pickup in growth is expected to be only gradual. A change in the growth mix is on cards, with private sector taking over the baton from the government.

Real GDP growth (% on-year)



Source: CSO

According to the Central Statistics Office, GDP growth slipped 110 basis points (bps) to 6.8% in the second quarter (Q2) of fiscal 2019 from 7.8% in the first quarter (Q1), which further slipped to 6.3% in Q3 FY19.

Fixed capital formation to pick up beyond fiscal 2019

The share of gross fixed capital formation—fresh investments in the form of plant and machinery, dwellings and other buildings—in India's GDP, which is also called the investment rate, averaged 31% in fiscals 2015-2018, compared with 33.6% in fiscals 2010-2014. It touched a decadal low of 30.3% in fiscal 2016.

The uptick in fixed investment growth (14.4%) in the fourth quarter of fiscal 2018, as shown by the Central Statistical Office release, should be taken with a pinch of salt as CSO has been known to revise numbers. For example, fixed investment growth in all the three quarters of last fiscal was revised downwards. As a result, growth in fixed investments last fiscal year was 7.6% compared with 10.1% in fiscal 2017.

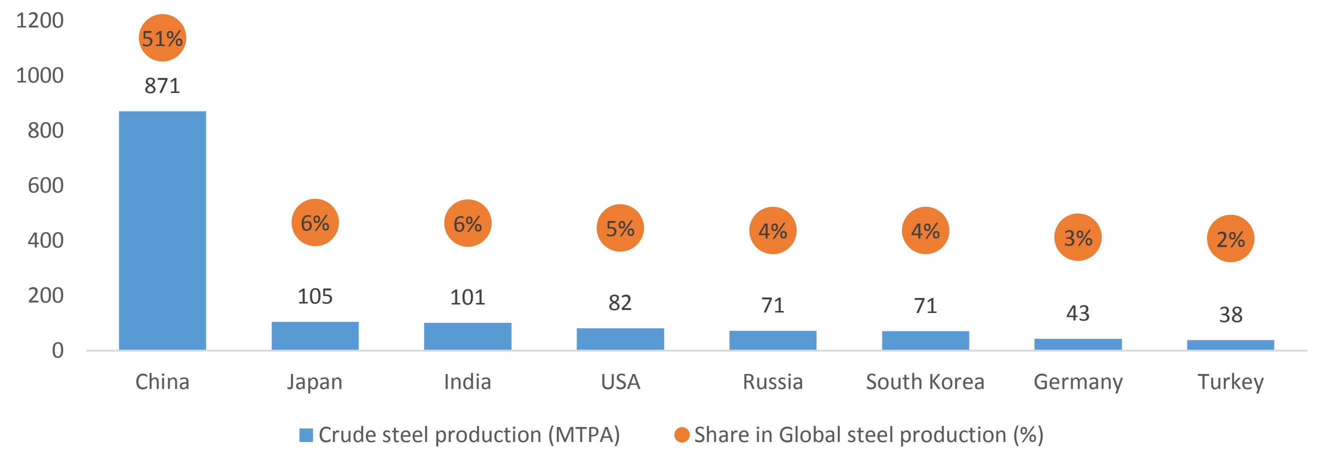
Beyond the current Fiscal, CRISIL Research is more optimistic about a broad-based pick-up in investments. The government has initiated a number of steps to ease the business environment: big moves such as GST and IBC, and others, such as introduction of online single-window model for providing clearances and filing compliances, and mechanisms for fast-tracking foreign investments by foregoing the Foreign Investment Promotion Board, have helped. Some of these, however, remain work-in-progress.

OVERVIEW OF INDIAN STEEL INDUSTRY

Overview of Global steel demand and India's position in global steel Industry

India is the third largest producer of steel in the world with nearly 6% share of global steel production in CY 2018.

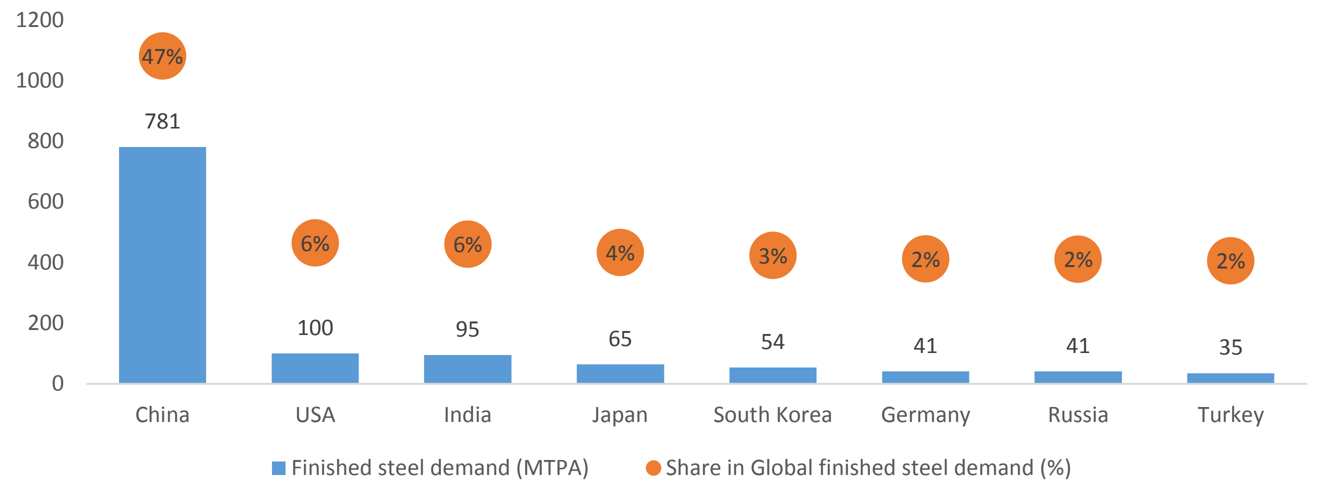
Country-wise crude steel production in CY 2018 for major countries (in MMTPA)



Note: Data for CY 2018

Source: World Steel Association
Note: Please note that MMTPA refers to Million tons per annum in the document, unless stated otherwise

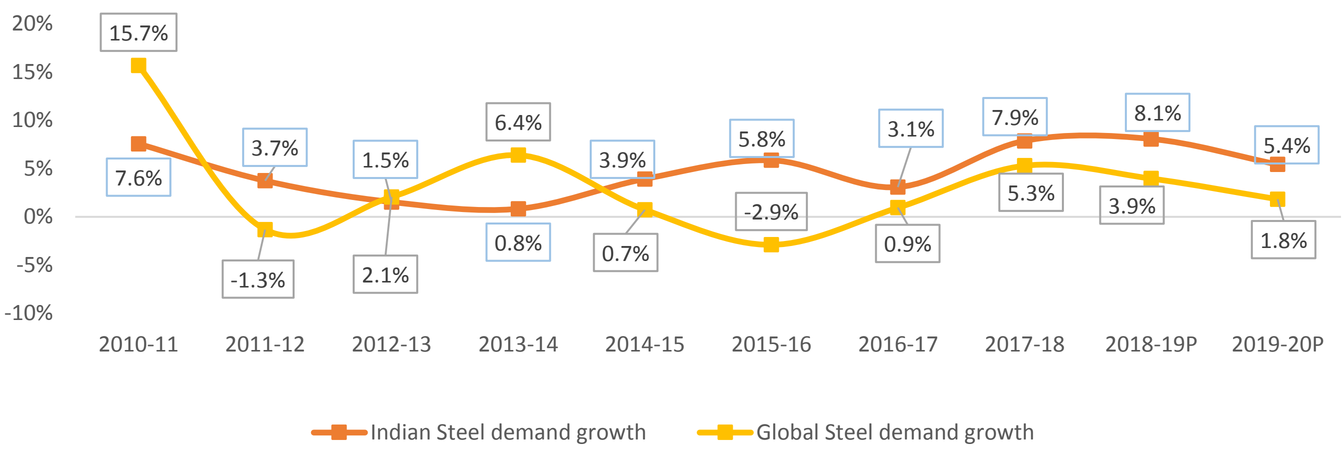
Country-wise finished steel demand in CY 2018 for major countries (in MMTPA)



Note: Data for CY 2018, demand figures are projected numbers basis world steel association's short range outlook-Oct 2018
Source: World Steel Association

Over the last decade, India steel demand growth has outpaced world's average except for in 3 years viz. FY11, FY13 and FY14, where economic slowdown in key end-use segments in the domestic market negatively impacted demand growth.

Growth in Indian steel demand vis-à-vis global steel demand

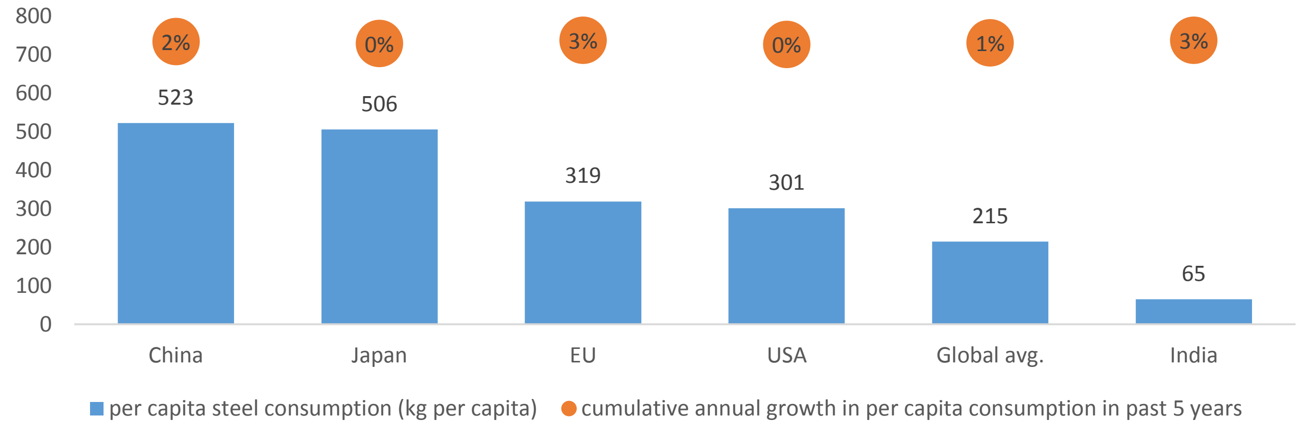


Note: Global growth rates are for preceding calendar years i.e. 2010-11 figures refer to CY 2010
Source: CRISIL Research, World Steel Association

However, post 2013, domestic demand growth has invariably exceeded global demand growth 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 &Construction (B&C) segments. As per CRISIL Research, post 2019, global steel demand is expected to stabilize at 1-3% CAGR through 2017-2022.

India's per capita steel consumption is very low at 65 kg per capita against global average of 215 kg per capita. Developed economies such as US, EU, Japan, and China have much higher spending on infrastructure and relatively more steel-intensive housing/ commercial establishments, leading to higher per capita consumption of steel. An underpenetrated Indian steel market represents high future growth potential.

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



Note: figures are for CY 2017
Source: World Steel Association, CRISIL Research

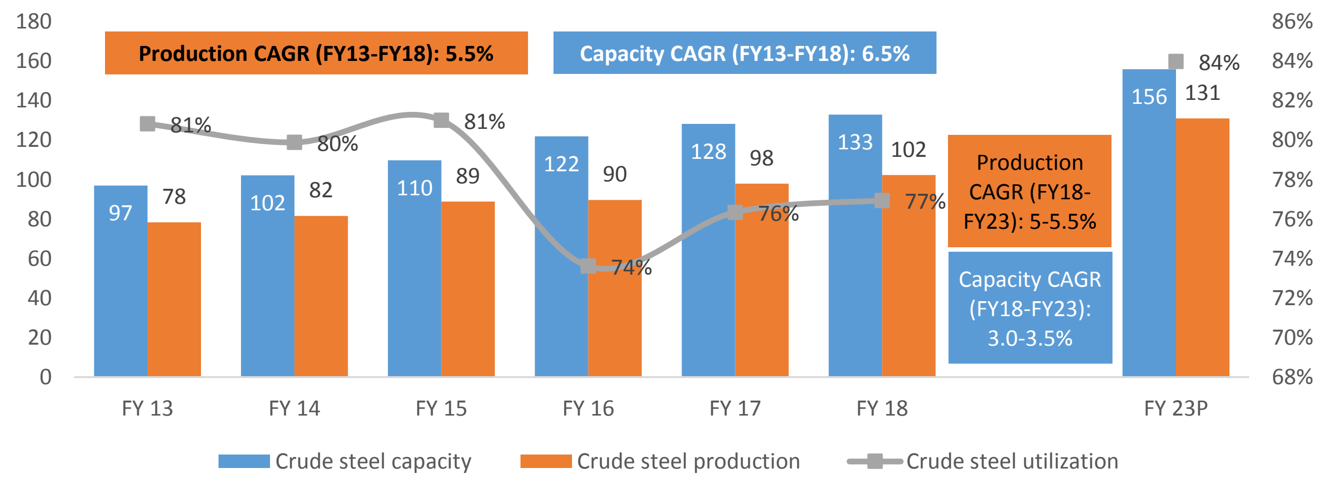
Additionally, per capita consumption of steel in India has been growing at a faster pace than the world average on account of India outpacing the world in terms of absolute demand growth.

Overview of Crude steel production in India

Crude steel, is the first solid state product after the melting phase in the furnace. Crude steel is further processed to produce finished steel in various configurations. In some cases, crude steel may also be sold on an as-is basis by the primary manufacturer to downstream manufacturers.

Review and Forecast of crude steel production and capacity in India (MMTPA)

Source: Joint Plant committee (JPC), Ministry of Steel, CRISIL Research



Crude steel production has grown at a CAGR of 5.5% during fiscals 2013 to 2018. The growth in Crude steel production was primarily in line with domestic finished steel demand and a robust growth of 11-13% CAGR in finished steel exports for the period under review.

Utilization levels fell to 74% in fiscal 2016 from levels of 80-81% seen during the past three years due to flooding of cheaper imports as well as capacity additions of ~12 MMTPA in fiscal 2016. However, crude steel utilzations have improved slightly over the past two years to an estimated 77% in fiscal 2018 on account of improvement in demand and slower pace of capacity additions.

Capacity addition over the next 5 years is expected to lag production growth as key players have limited plans for adding capacities as they are currently focussing on ramping-up the NCLT acquisitions and their under-utilized plants. Thus, utilization is expected to improve to ~84% by FY23.

Overview of Sponge Iron Industry in India

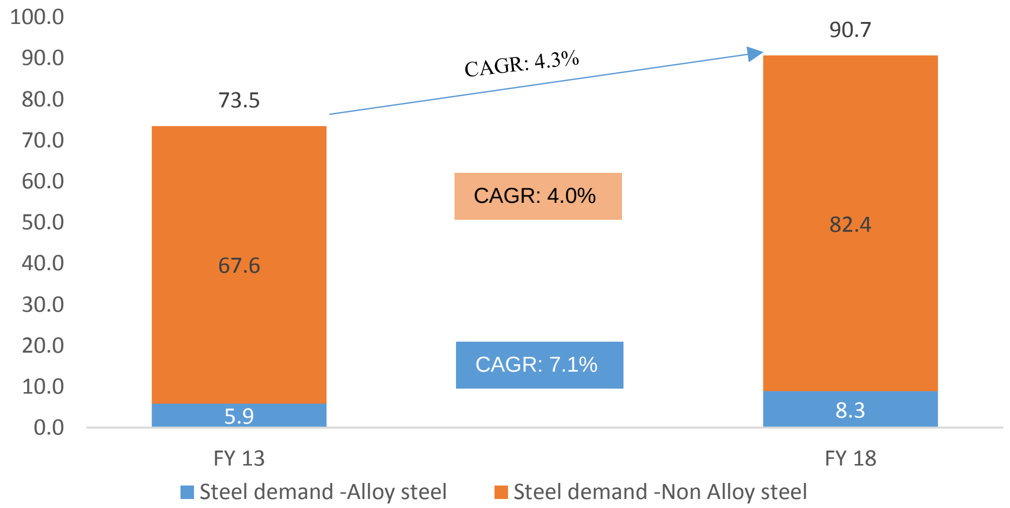
Sponge iron demand to stay range bound with some upward bias

India is the world's largest sponge iron producer, having an annual production of ~30.5 million tonnes against installed capacity of about 50 million tonnes. The industry is highly fragmented in terms of production capacities and contributes 24-26% to crude steel production.

After staying stagnant for 4 years, sponge iron production increased in FY17 and FY18. Of the total production in FY18, coal based accounted for nearly 79% and gas based accounted for 21%. Production increased owing to ~3% increase in long steel production, further, 27% on-year increase in international scrap prices led to increased blending of sponge iron. Additionally, elevated pig iron prices also supported sponge iron demand.

Demand review and outlook: Steel products

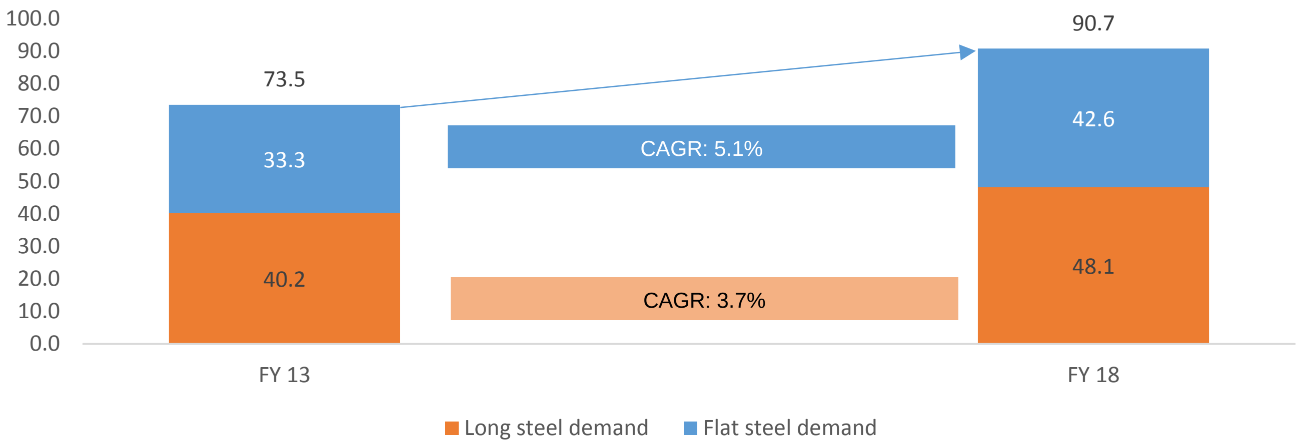
Review of steel demand-MMTPA (alloy v/s non-alloy steel)



Source: JPC, CRISIL Research

Alloy steel has exhibited robust growth over the last few years at 7.1% CAGR primarily led by healthy growth from Railways, Auto, Defense, and Maritime segments. As a result, the share of alloy in overall steel demand has grown from 8% in 2012-13 to 9% in 2017-18.

Review of steel demand-MMTPA (long vs. flat)



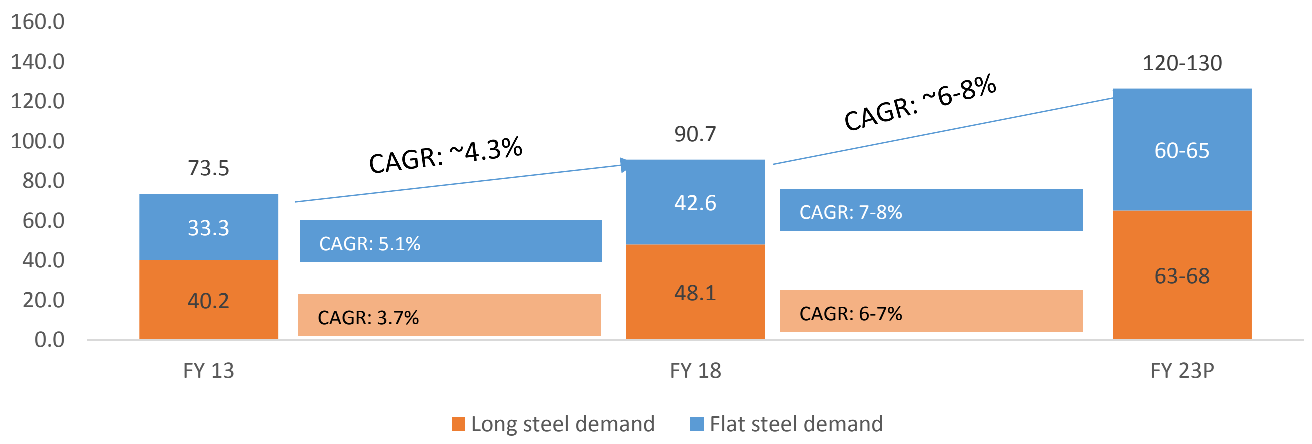
Source: JPC, CRISIL Research

Further long steel demand has risen at 3.7% CAGR over past five years (FY13 to FY18) period primarily led by healthy growth in infra and modest growth in housing segment. Flat steel demand on the other hand rose at around 5.1% CAGR during the same period. This has led to share of long steel in overall finished steel demand to drop from 55% in FY13 to 53% in FY18.

Post moderate growth cycles since 2012, India's steel demand exhibited swift comeback with vigorous growth of 7.8% year-on-year in fiscal 2018. Pent-up demand from low base of last year (demonetization), pick up in infra projects, robust growth in

Auto provided thrust to the sector's growth. Going ahead, we foresee steel demand to continue its strong stride at 6-8% through fiscal 2023 supported by the government led initiatives especially affordable housing and infrastructure projects in metro, road, and urban infra space (which are more steel intensive).

India Steel Demand Growth Forecast (MMTPA)



P: Projected
Note: The consumption numbers are in line with revision made by Joint Plant Committee (JPC)
Source: Joint Plant Committee (JPC) and CRISIL Research

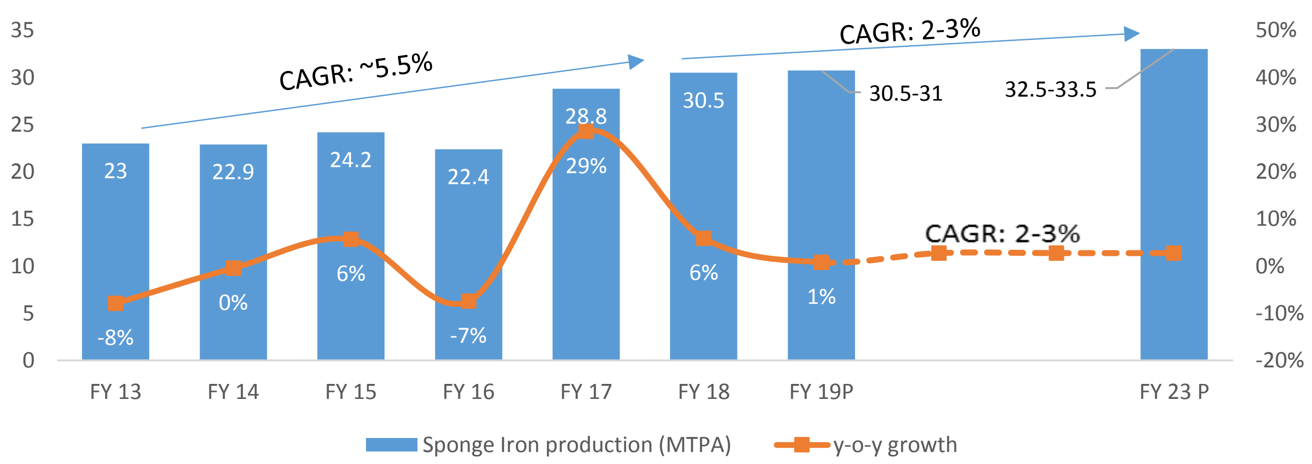
Steel demand from building and construction (B&C) accounts for ~33% of the total steel demand. Going ahead we believe that housing market shall witness some soft revival led by rural housing and affordable housing. Also, with election season nearing, execution is expected to speed up fueling the steel demand.

Sponge iron demand to stay range bound with some upward bias

India is the world's largest sponge iron producer, having an annual production of ~30.5 million tonnes against installed capacity of about 50 million tonnes. The industry is highly fragmented in terms of production capacities and contributes 24-26% to crude steel production.

After staying stagnant for 4 years, sponge iron production increased in FY17 and FY18. Of the total production in FY18, coal based accounted for nearly 79% and gas based accounted for 21%. Production increased owing to ~3% increase in long steel production, further, 27% on-year increase in international scrap prices led to increased blending of sponge iron. Additionally, elevated pig iron prices also supported sponge iron demand

Trend in Sponge Iron production in India



P: projected
Source: Annual report-Ministry of Steel, CRISIL Research

The rise in FY 17 and FY 18 can primarily be attributed to the following attributes:

- Modest rise in long steel demand
- Rising construction demand in East region (high blending of sponge iron)

- Elevated scrap and pig iron prices

Going ahead CRISIL expects prospects of sponge iron industry to remain range bound primarily led by:

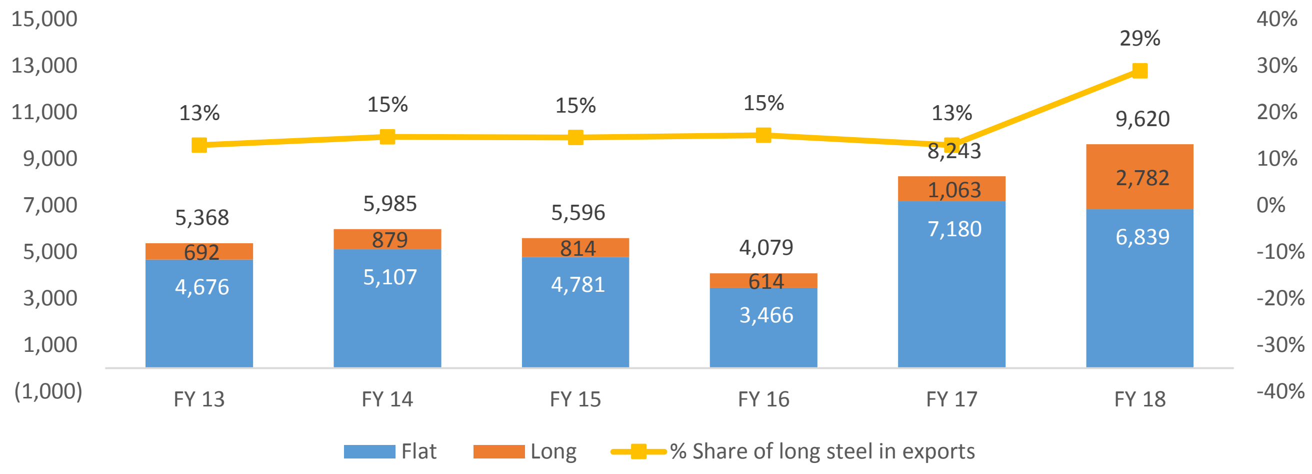
- ***Stiff competition from large players:*** Steel production via the Basic oxygen Furnace/Blast Furnace (BF/BOF) route is largely comprised of large players in India (on account of high capital intensity). Mid-small players typically produce steel through the EAF / IF route. The share of BF/ BoF has increased from about 30% in 2012-13 to and estimated ~35% in 2018-19 in long steel making for large players. Large players like SAIL, JSPL, and RINL added 7 MT of capacities in later part of FY18/19 which is primarily long steel focussed. We expect these capacities to further ramp up leading to share of large players further rising to ~40% through FY23. With stiff competition from large players, survival of standalone sponge iron manufacturers to become difficult.

- ***Price differential with substitutes (scrap):*** Scrap is a direct substitute to sponge iron in steel making and has a higher conversion yield. While, in near term, scrap prices are expected to be elevated, however, in medium term prices are expected to be under pressure led by better scrap availability, industry getting more organised. This shall potentially impact sponge iron blending and continues to be a key monitorable.

Overview of trade scenario of finished steel in India

The Indian EXIM trade of finished steel has been largely dominated by flat steel products during fiscals 2013 through 2018. Although, in fiscal 2018, exports of long products registered a significant spike of 159%.

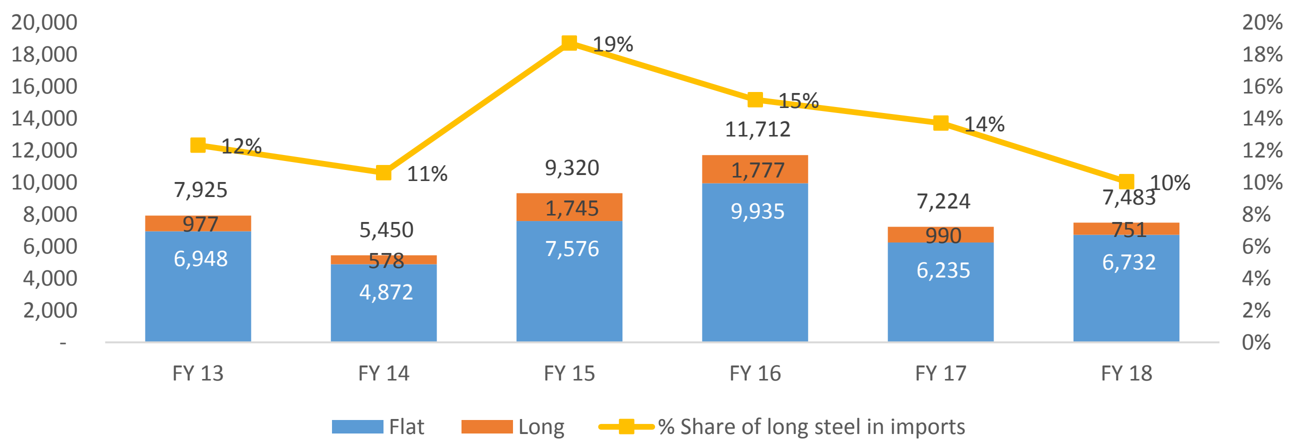
Review of Indian finished steel exports ('000 tonnes per annum)



Source: Joint Plant Committee, CRISIL Research

Long steel export growth was majorly contributed by rise in exports of bars and rods to Nepal, Malaysia, Myanmar and Sri Lanka. As a result of this growth the share of long products in finished steel exports has risen to 28-30% in fiscal 2018 from an average of ~14% in the past five years.

Review of Indian finished steel imports ('000 tonnes per annum)



Source: Joint Plant Committee, CRISIL Research

Finished steel imports saw a spike in fiscals 2015 and 2016 on account of flooding of lower priced imports, especially from China. However, as a result of government intervention by means of anti-dumping duties and other safeguard measures such as the National Steel Policy (NSP), the imports have rationalized to levels between 7-7.5 MMTPA in the past two fiscals. Contribution of long steel in the total imported finished steel in India has been continuously decreasing since between FY 15 to FY18.

Overview of safeguard measures by the government for the steel Industry

The Ministry of Steel has brought cold reduced low carbon sheets and strips and cold rolled strips under the quality control order vide order dated 18th December 2015.

The Government had notified anti-dumping duty vide Notification No. 61/2015-Customs (ADD) on imports of Cold Rolled Stainless Steel Flat products.

In order to protect and promote the domestic steel industry the Government has taken following measures:-

- Increased the peak rate of basic customs duty on both flat and non-flat steel
- Increased the import duty on flat rolled steel on long and semi-finished products.
- Levied the Anti-Dumping Duty on imports of certain variety of hot-rolled flat products of stainless steel from China.
- Levied the Anti-Dumping Duty for five years on imports of cold rolled Flat products of stainless steel.
- Government has notified Minimum Import Price (MIP) to provide a level playing field to domestic producers against the injury caused as evident from the decline in margins of the producers.
- Imposed the Safeguard Duty on hot-rolled flat products of non-alloy and other alloy steel, in coils

Note: The above list is not exhaustive
Source: Press Information Bureau, CRISIL Research

National Steel Policy a long term gain for domestic steelmakers

The Union Cabinet approved the National Steel Policy (NSP), 2017 on May 3rd 2017. The new NSP is in step with the government's long term vision to give thrust to the steel sector. It seeks to enhance domestic steel consumption, ensure high quality steel production, and create a technologically advanced and globally competitive steel industry.

Key elements of NSP 2017

Vision on demand, supply and trade in the NSP	***Vision on raw materials access and development of cost effective advanced technology***
• Increase consumption of steel across major segments of infrastructure, automobiles, and housing, resulting in a potential rise in per capita steel consumption to 160 kg per capita by 2030 from ~60 kg per capita at present. • Achieve 300 MT of steel-making capacity by 2030 through additional investments of Rs 10 lakh crore by 2030-31. • 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 ~24 MT of steel by 2030	• Ensure availability of raw materials such as iron ore, coking coal and non-coking coal, natural gas, etc., at competitive rates through policy measures, asset acquisitons, etc. • Raise availability of washed coking coal to reduce import dependence on it to 65% by 2030-31 (from 85% at present) • Focus on pelletisation, through investment in slurry pipelines and conveyors • Adoption of energy efficient technologies in the micro, small and medium enterprise steel sector, to improve overall productivity and reduce energy intensity

Source: Draft NSP, Ministry of steel

NCLT resolutions to largely impact the flat steel dynamics

Companies with around 22 MMTPA of crude steel capacity have been referred to National Company Law Tribunal (NCLT) in the first round of the stressed assets resolution process by the Reserve Bank of India (RBI).

Overview of Players referred to NCLT

NCLT I

Company	**Product Profile**	**Crude steel capacity (MMTPA)**	**Current status**
Essar Steel	Flats, Pipes, Structurals	10.0	In process
Bhushan Steel	Flats, pipes, Billets	5.6	Acquired by TATA steel
BPSL	Flats, pipes	3.0	In process
Monnet Ispat	Flats, rebars, structurals	1.8	Acquired by Aion-JSW
Electro Steel	TMT, pipes, billets	1.5	Acquired by Vedanta
Adhunik Metaliks Limited	Alloy steel, construction steel	0.5	In process
Total NCLT I capacity		***22.4***	

NCLT II

Company	**Product Profile**	**Crude steel capacity (MMTPA)**	**Current status**
Uttam Galva	Flat products	1.0	In process
Uttam Metallik	Flat products	0.5	In process
Visa Steel	Bars and Rods, Ferro Chrome	0.5	In process
Jayaswal Neco	Bars and Rods, Leaf spring flats, Pig iron	1.0	In process
Jai Balaji	TMT, DI pipes, Pig iron , DRI, etc.	1.0	In process
Asian Color	Flats	0.3	In process
	Total NCLT II capacity	***~4.3***	

Note: Product profile is indicative and not exhaustive, status as on 4th March 2019
Source: CRISIL Research, Company websites

CRISIL Research believes resolution of these cases could alter India's steel sector landscape substantially

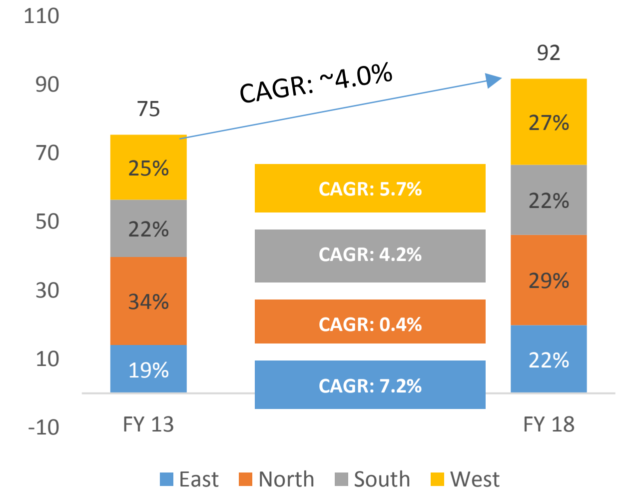
- Over half (~52%) of steel sector's outstanding debt of INR 3.26 lakh crore can be resolved.
- About a fifth of India's crude steel capacity held by these companies will move to stronger hands resulting in better working capital and liquidity management. That, in turn, would lead to improving utilisation levels.

For acquirers of these assets, apart from attractive product portfolios and locational advantages, these assets also offer easy scalability. The 22 MMTPA of capacities under resolution have brownfield expansion potential of another 20-21 MMTPA – based on their environment clearance and regulatory filings. While most of the players referred to the NCLT in the first round are largely flat steel producers except players such as Monnet Ispat and Electrosteel, the second round also consists of a few downstream long steel players. In addition to the NCLT proceedings, Usha Martin limited has been aquired by Tata Sponge Iron (Tata steel associate) in Q3 FY19. However, these players together constitute a very small share of the total long steel capacity in India. The long steel industry, is quite fragmented in the country with large players accounting for ~30% of the total market. As a result, while the resolution of NCLT cases is expected to lead to a slight consolidation in the Industry on an overall level, it is expected to have a limited impact on the long steel industry.

Eastern and Western regions gaining share in finished steel dispatches

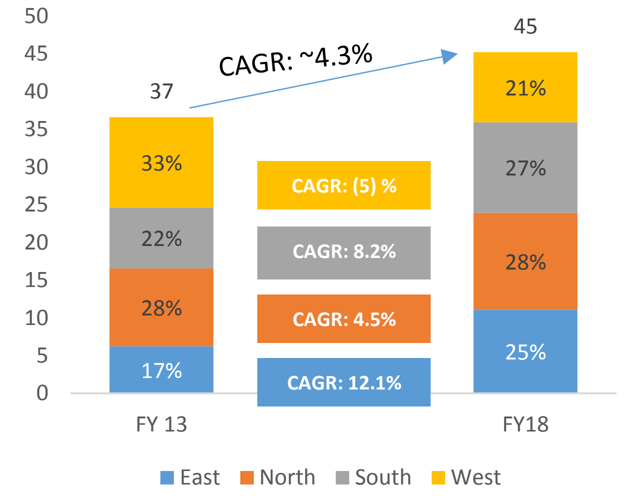
Pan India finished steel dispatches have grown at a CAGR of 4.0% during the five-year period of fiscal 2012 to fiscal 2018 amounting to ~92 MMTPA in FY 18.

Region wise finished steel dispatches- MMTPA



Source: JPC, CRISIL Research

Region wise long steel dispatches- MMTPA



Source: JPC, CRISIL Research

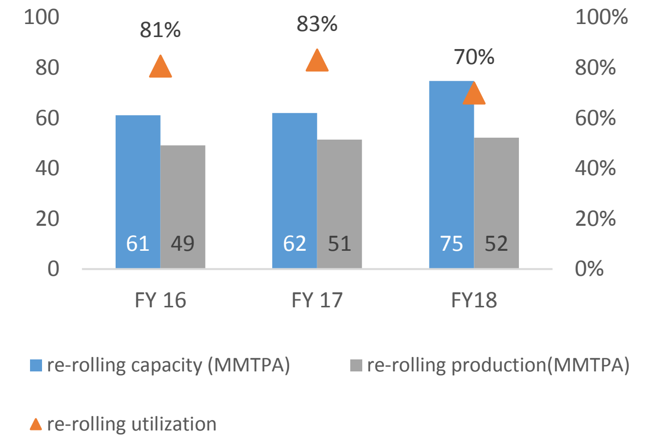
Eastern region has been leading in growth of finished steel dispatches in the country over the past five years The region has clocked a CAGR of 7.2% in finished steel dispatches (12.1% in long steel dispatches) over the FY13 - FY18 period under review. The growth in the Eastern region was driven primarily by the states of Odisha and Bihar, whereas the growth in the western region was propelled by Maharashtra and Gujarat.

Going forward, long steel demand growth in the Eastern region is expected to be healthy on the back of robust growth in Housing and Infrastructure related construction activity. Growth in demand from Infrastructure segment is expected primarily on account of growth in power, rail and road projects from Chhattisgarh, Jharkhand and Odisha. Large scale projects such as the Eastern Freight Corridor and the Subarnarekha Multipurpose Project are also expected to spur steel demand. While in case of Housing, the IHB (Independent house building) driven rural segment is expected to drive growth in Bihar, while urban housing is expected to drive growth in West Bengal.

Rolling units account for little less than half of the total finished steel production for sale

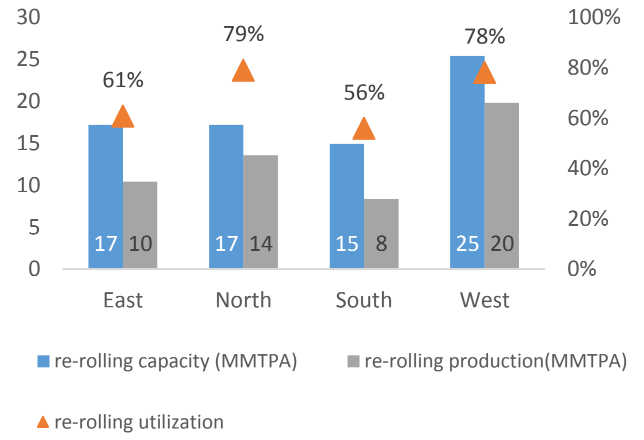
Pan India production of rolling units in India stood at ~52 MMTPA in fiscal 2018 accounting for about half of the total finished steel production which was ~105 MMTPA for the said period.

Pan India rolling capacity MMTPA and utilizations (%)



Source: JPC, CRISIL Research

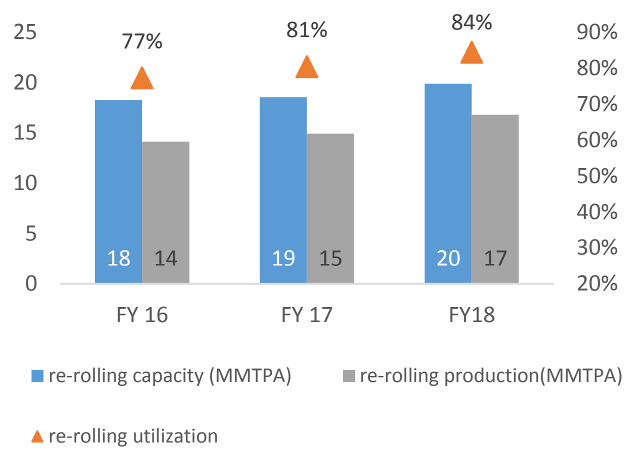
Regional rolling capacity MMTPA and utilizations (%)



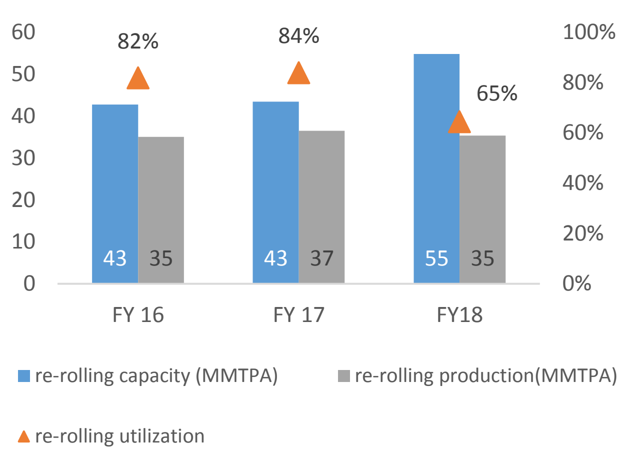
Note: figures as of FY 18
Source: JPC, CRISIL Research

With an annual rolling capacity of ~25 MMTPA, western India leads in terms of rolling capacity in the country. The region accounts for >30% of the capacity in India. Whereas, in terms of production too, the western region dominates with ~20 MMTPA production if FY18. Rolling units generally produce long steel products such as bars, rods and structural. These products are largely consumed by the building and construction segment as demand from infra segment is limited to Roads (including bridges), irrigation projects, etc.

Rolling capacity MMTPA and utilizations (%) of key large players



Rolling capacity MMTPA and utilizations (%) of other players



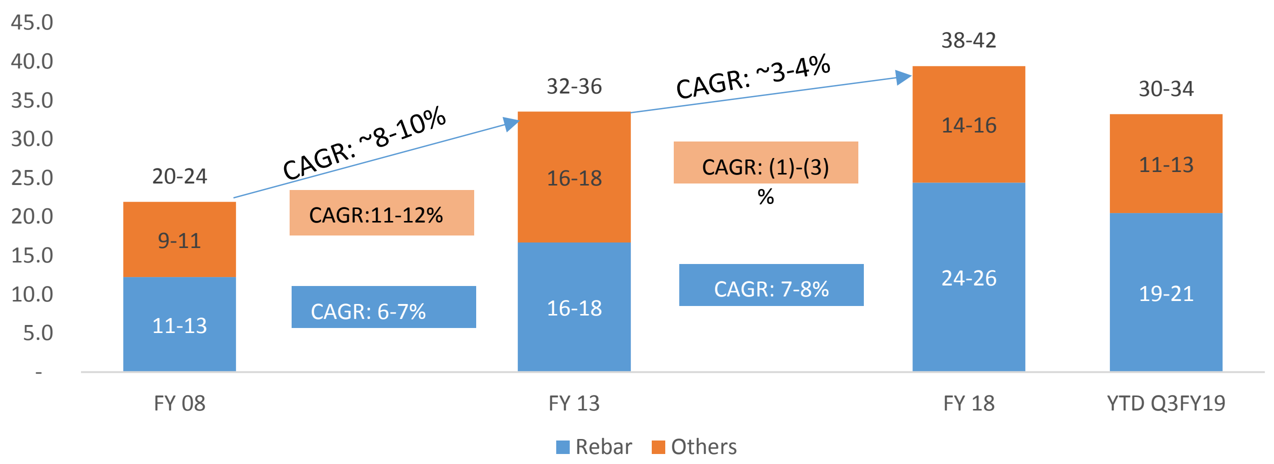
Note: key large players include SAIL, JSW, JSPL, RINL, TSL and Essar *Source: JPC, CRISIL Research*
Source: JPC, CRISIL Research

The rolling segment of the steel industry in India is quite fragmented in nature. The key large steel producers (SAIL, JSW, JSPL, RINL, TSL and Essar) in the country account for 30-35% of the overall capacity in India while the rest 65-70% comprises of large regional (mid-size) and small players. In FY16 and FY17, regional players saw slightly better utilizations than the large steel producers in the rolling segment. However, in FY18, capacity additions of ~11 MMTPA led to decline in utilization rates of regional players to 65%.

Rebars account for lion's share of Bars and rods demand in India

TMT rebars account for over half of all the bars and rods (non-alloy) produced in India. Pan India demand for rebars is estimated to have been 24-26 MMTPA in FY 18.

Review of demand growth in bars and rods segment (MMTPA)

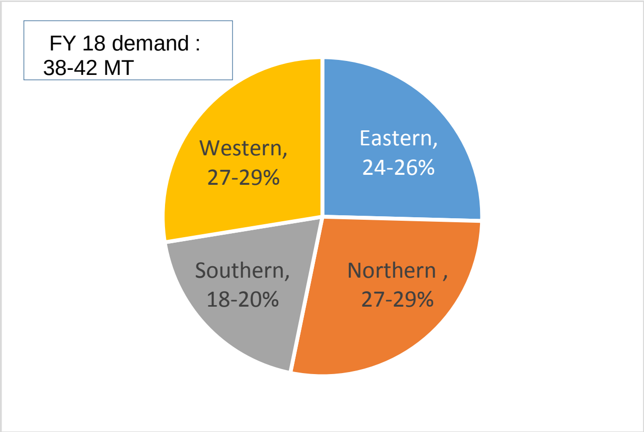


Source: JPC, CRISIL Research

The FY08 to FY13 period saw moderately healthy demand growth in the rebar segment which was primarily driven by the construction sector. The growth in the construction sector was driven primarily by a surge in real estate construction in the period especially in the housing segment which accounts for 65-70% of the rebar demand in India.

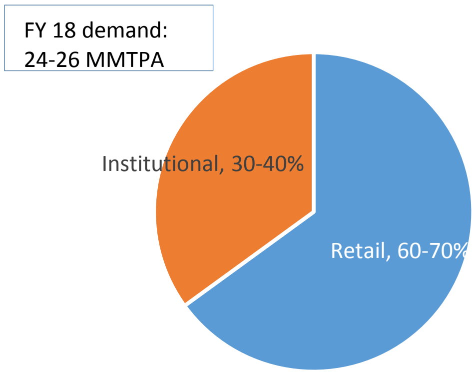
Housing sector is followed by the Infrastructure segment which accounts for 20-25% of rebar demand in India. Within infrastructure, power accounted for the highest investments in the past five years (~40% in value terms) followed by roads (15-20%), railways (13-18%), irrigation (10-15%) and urban infrastructure (8-12%). The investments in the past five years (FY14-FY18) were ~1.6X more than the preceding five year period (FY09-FY13) with the power, roads and railways sectors constituting the bulk of the incremental investments.

Demand segmentation for Bars and Rods (in terms of dispatches-FY18)[1]



Source: JPC,CRISIL Research

Demand segmentation by sales channel for rebars (FY18E)



E: Estimated
Source: CRISIL Research

The Northern region accounts for the highest share in bars and rods demand in India accounting for 27-29% of the total dispatches in FY18. The Northern region is closely followed by the western(27-29%) and eastern regions(24-26%), while the southern region comes a distant fourth with a share of 18-20% in overall dispatches.

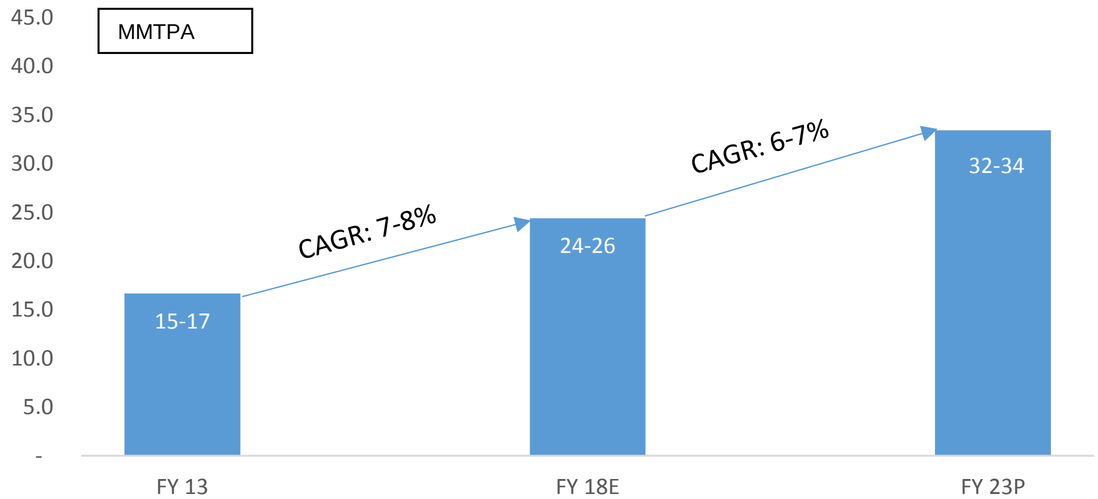
The share of eastern region in bars and rods dispatches has grown from 17% in FY13 to 24-26% in FY18.Going forward investments in development of social and physical infrastructure in the eastern and southern region is expected to keep improving dispatches for the product.

Whereas, in terms of sales channels, the retail segment is dominant in India with a share of 60-70% in overall TMT sales. Along with Housing projects (including IHBs and small-medium sized developments) a significant portion of commercial developments also use the retail trade channel for sourcing TMT bars due to inventory management constraints.

Pan India TMT rebar demand to grow at a moderately healthy pace over the next five years, albeit on a higher base of FY18

While TMT rebar demand saw a growth of 7-8% CAGR during fiscals 2013-2018, going forward rebar demand growth is expected to see a slight moderation, albeit still growing at a moderately healthy CAGR of 6-7% over the next five years.

Trend in rebar demand growth (MMTPA)



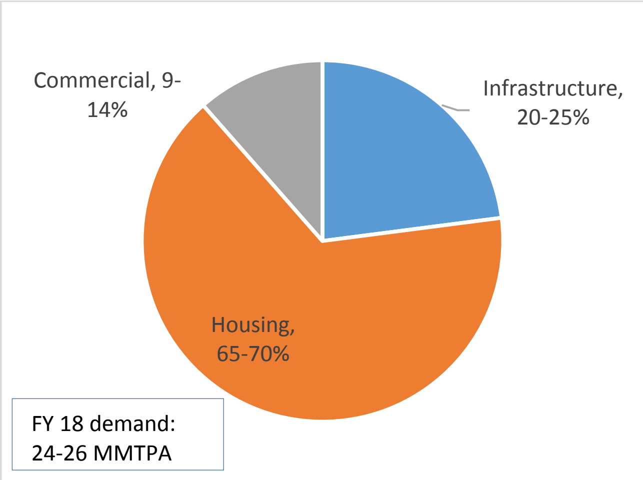
Source: CRISIL Research

The growth is expected to be slightly slower on account of a moderate growth in the housing segment, which saw a surge in FY18 on account of healthy growth in the affordable housing segment.

[1] State wise classification of regions has been included in the Annexures

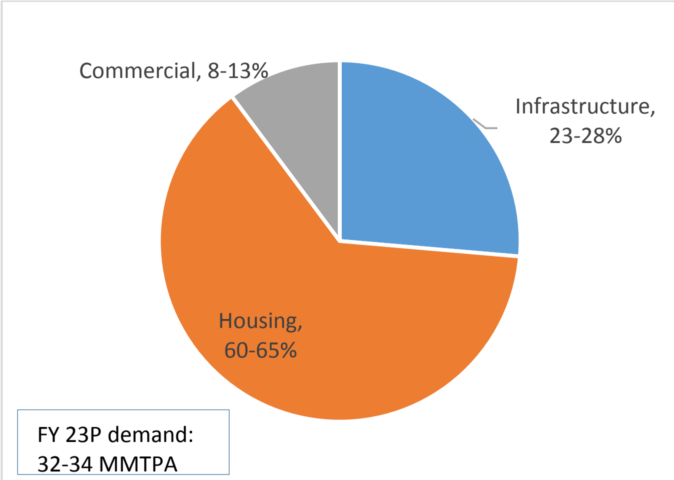
Overall rebar growth is largely expected to emanate from the infrastructure segment, demand from which is expected to grow at almost 1.5 times the pace of TMT demand growth in India, while demand growth from housing and commercial construction segments is expected to be largely moderate compared to infra.

Demand segmentation by end-use (FY18E)



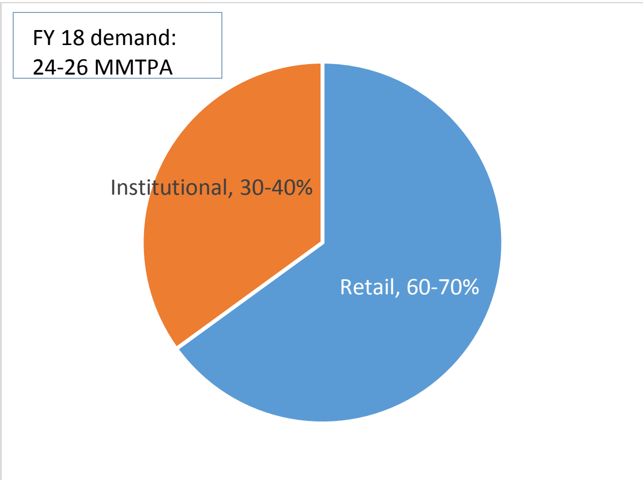
P: Projected
Source: CRISIL Research

Demand segmentation by end-use (FY23P)



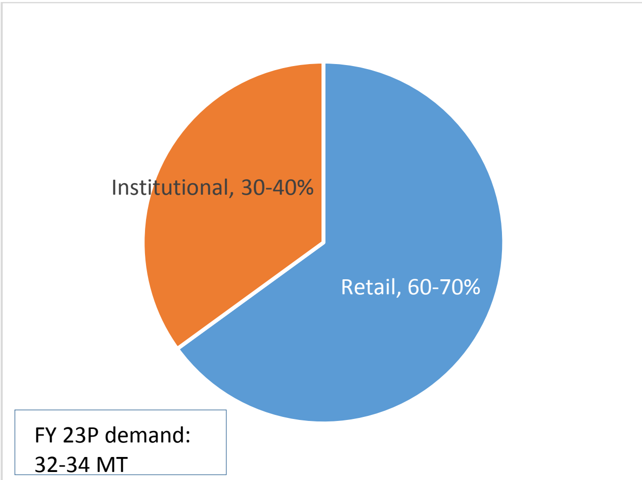
P: Projected
Source: CRISIL Research

Demand segmentation by sales channel (FY18E)



P: Projected
Source: CRISIL Research

Demand segmentation by sales channel (FY23P)



P: Projected
Source: CRISIL Research

With TMT demand in infra segment expected to grow at a faster pace than other segments, share of infra in overall TMT demand is expected to grow by 300-350 basis points while share of housing is expected to fall by 200-250 basis points.

Going forward the retail segment is expected to continue to dominate TMT sales as housing as well as some small infra projects are expected to continue to source rebars from the retail segment. As a result the sales channel split is expected to be range bound over the next five years in the TMT segment. However, with demand from infra segment growing at a much faster pace than other segments, the share of institutional sales is expected to move towards the higher end of the 30-40% bracket in overall sales.

Key demand drivers

Infrastructure: Within infrastructure, road projects would be the largest contributor to construction spend (~50%), followed by irrigation and urban infrastructure. A brief outlook on construction spend in these sectors from fiscals 2019 to 2023:

- **Roads:** Construction spend of INR ~15 trillion will be driven by faster execution of national highway projects. Investment in state roads is expected to grow steadily. States like UP, Chhattisgarh, MP, Odisha and Tamil Nadu have increased their expenditure on roads at a healthy pace. Increased awarding by NHAI and strong pipeline of projects, is expected to boost investments in the sector.

- **Irrigation:** After a logjam in the past years, investment is expected to improve, owing to increase in budgetary allocation by state governments and focus on establishing a line of command, providing much-needed push for the sector. 99 fast-tracked projects indicate healthy on-ground progress. Apart from top 6 states constituting majority of irrigation investments, Odisha has emerged as a new top state with considerable increase in irrigation investments in the past few years.

- **Railways:** The INR 8.5 trillion investment in railways proposed by the government over five years (2015-2019) will boost construction expenditure in railway projects, as compared to past five years. Investment in dedicated freight corridors and high-speed rail are expected to account for sizeable chunk of rail construction spend in the medium term. While half of the proposed investments will come from budgetary support, the remaining will depend on increased private sector participation and institutional financing

- **Power and Other Infrastructure:** Construction spending on power is expected to decline over the next five years as a result of a decline in the addition of non-renewable generation capacity. Investments in airports are expected to pick up, while that in telecom towers will remain flat amid adequate existing infrastructure.

- **Oil and Gas:** The oil and gas sector is estimated to provide ~INR 1 trillion in construction opportunities (upstream and downstream) over the 5-year period, thereby comprising ~55% of total industrial construction expenditure.

Housing: Housing demand is expected to be driven largely by the affordable housing segment in the rural as well as urban markets. The government's impetus on affordable housing by means of projects such as the PMAY scheme and regulation of the real estate market by means of the RERA act is expected to drive housing demand growth over the long term.

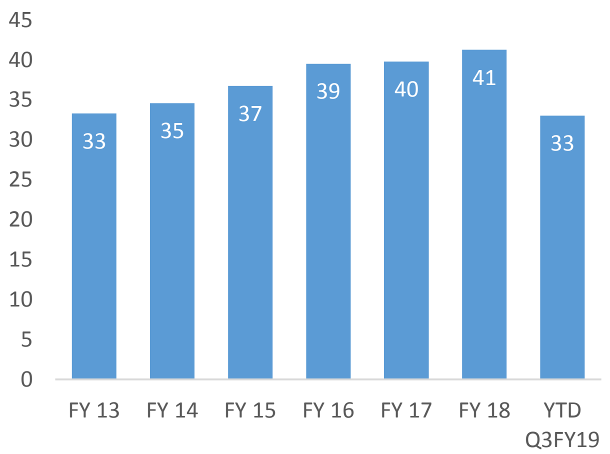
The pace of approval (of PMAY houses) and completion by the ministry (MHUPA), which was slow till May 2017 has picked up significantly in the last few months(~1.3 mn houses grounded for construction in last 6 months). Since construction of these house takes 12-18 months, we believe that while the housing scheme would provide only some support to overall urban housing demand in fiscal 2018, it can potentially elevate urban housing demand growth trajectory to moderate levels in fiscals 2019 and 2020.

Commercial and Industrial: For past few years, on account of low capacity utilization levels, there has been a fall in the overall investments in industrial segment. Going forward, a slight increase in investments is expected in segments such as automobiles and oil &gas. However, a simultaneous fall in investments in other sectors such as metals, textiles and petrochemicals is expected to keep aggregate construction investments in industrial segment flattish at INR 2.1 trillion.

Bars and rods production sees healthy growth as exports rise

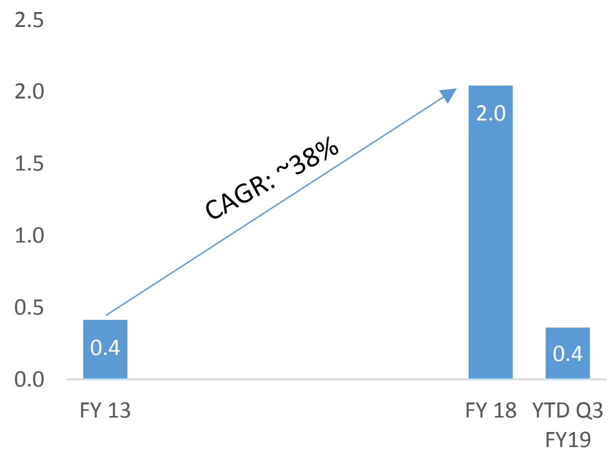
Saleable production of bars and rods in India has grown at a marginally better CAGR of 4-5 % as compared to demand growth of 3-4 % over the past five years (FY 13-FY 18). The incremental growth in production compared to demand can be attributed to rise in exports over the past five years,

Production for sale of Bars and Rods (MMTPA)



Source: JPC, CRISIL Research

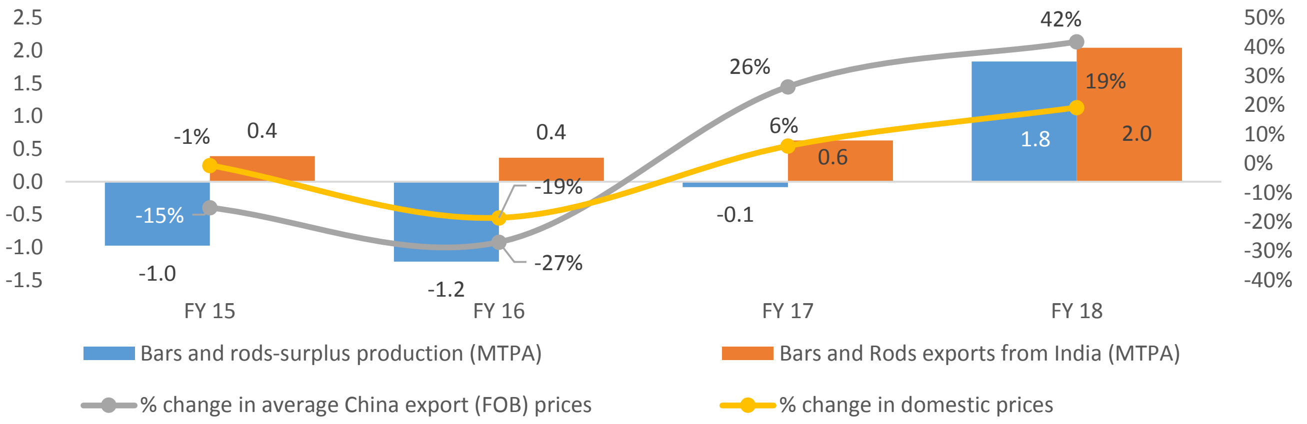
Export volume of Bars and Rods (MMTPA)



Note: figures exclude alloy and stainless steel
Source: JPC, CRISIL Research

Exports of steel bars and rods have grown ~5X in the past five years from ~0.4 MMTPA in fiscal 2013 to ~ 2 MMTPA in fiscal 2018. Bar and rod exports saw a significant spike of ~225% y-o-y in fiscal 2018 with Myanmar, Italy, Belgium, Spain and Vietnam being some of the key contributors to the incremental exports.

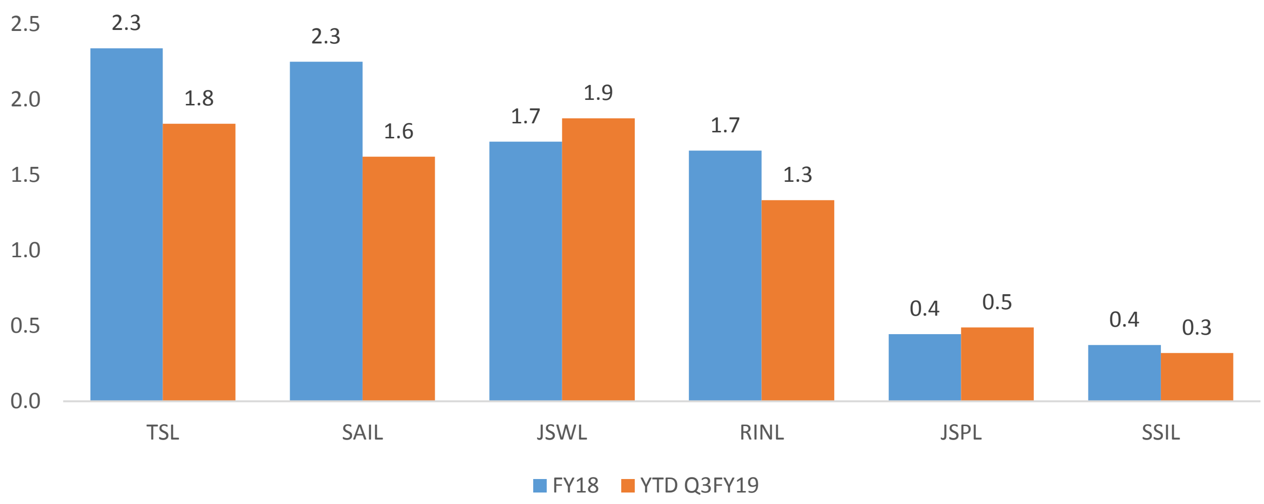
Trend in domestic and international bars and rods prices and exports from India



Note: surplus production has been considered as domestic production-domestic consumption (as reported by JPC), figures exclude alloy and stainless steel
Source: JPC, CRISIL Research

In fiscal 2018, international bars and rods prices saw a substantial increase of ~42% on-year as compared to the previous fiscal. While on the other hand domestic demand for bars and rods were largely subdued, as a result of which exports rose owing to the higher realization potential in the international market. Thus, the exports of bars and rods from India surged to ~2 MMTPA in fiscal 2018 compared to 0.6 MMTPA in fiscal 2017.

Rebar production of key players (MMTPA)



Source: Company (SSIL),JPC, CRISIL Research

SAIL leads in terms of planned rebar capacity additions

The rebar market in India is fairly fragmented as mid-size and small manufacturers account for close to 65-70% of the market share in terms of production.

Rebar production is fairly fragmented in India as the key large players(SAIL,RINLTSL,JSWL and JSPL) players contribute to less than 40% of the total rebar production.

With TMT demand growing at a moderate pace in the next five years, capacity additions are expected to take place at a prudent pace. Some of the key capacity additions approved by the Ministry of environment have been mentioned below.

Key approved bar and merchant mill capacity additions

Capacity outlook is based on key approved capacities by the ministry of environment. Additional capacities may come up based on fresh expansion/re-configuration plans by players

Company	Plant	Incremental capacity (MMTPA)	Expected completion
SAIL	Bhilai	1.8	FY 20
SAIL	Durgapur	0.9	FY 20
JSW	Salem	0.1	FY 21

Note:

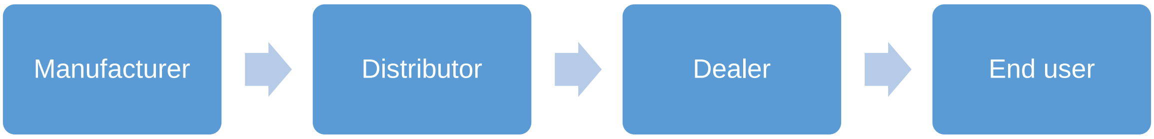
1. *The above list is indicative and not exhaustive, capacities have been rounded to nearest single decimal*
2. *The timelines mentioned are basis the assumption of downstream facilities getting commissioned in parallel with steel making units*

Source: Ministry of environment, CRISIL Research

Most TMT players adopt a distributor based sales model

In India most national as well as large regional players are known to deploy a distributor based sales structure for the retail segment wherein the distributor acts as an intermediary between dealers and manufacturers. The dealers in turn act as the final touch point for retail and lower ticket institutional sales. In some cases, secondary regional players deploy a dealer only model when operating in a localized market.

Typical retail value chain for TMT manufacturers



Source: Industry, CRISIL Research

In India contractor/builders are known to have a high level of influence in the purchase of TMT rebars in the retail as well as institutional segments. Whereas, dealers in India have been known to have varying levels of success in influencing purchase decisions with their role being largely limited to recommending brands to end-customers.

Indicative role of stakeholders in the final decision of TMT purchase

Project/institutional sales		Retail sales	
Stakeholder	***Level of influence in purchase decision***	***Stakeholder***	***Level of influence in purchase decision***
Dealer	Low	Mason/engineer	High
Technical Engineer	High	Dealer	Moderate
Contractor/Builder	Low	Contractor	High
Govt. Authorities (for Infrastructure)	Governs the List of eligible players and awards contracts basis technical and financial evaluation of bids	Owner	Final approver

Source: Industry, CRISIL Research

Large players[2] and Other Major players[3] dominate institutional sales in the rebar segment

Over the counter (retail) sales comprise of smaller housing/commercial (IHB, G+1, G+2, small retail outlets etc.) requirements. Retail segment has a higher penetration in rural areas due to limited reach of manufacturers and greater concentration of smaller real estate projects. While retail sales cater almost entirely to residential demand, some extent of demand coming from infrastructure (especially small-scale private or local municipal projects) are also catered to by retailers/ distributors. Projects sales account for 30-40% of the total demand, catering to infrastructure and mid-large scale real estate projects. Primary manufacturers, distributors and dealers (of secondary brands) compete for acquiring project orders.

While large national players dominate government led infrastructure project sales as their products adhere to BIS standards and are pre-approved with respective authorities; secondary players, lacking required approvals, are largely trying to penetrate in price sensitive real estate sector. Branding and marketing plays a key role in the retail sales segment of the TMT rebar market. As the final purchase decision is in the hands of the owner (residential/commercial) or contractor in case of small scale infra projects. Aspects such as brand recognition / recall play a key role in promoting sales in the retail segment. Thus, in some cases established brands/players can potentially command a modest premium in terms of pricing.

In case of building and construction related project sales (large residential/commercial/industrial projects) too, brand value plays a key role in driving sales decisions. In case of Infra projects though, there is limited potential for brand value to affect purchase decisions as the government's procurement policies are generally geared towards procuring from L1 (lowest bid value)

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2 Large players include players such as SAIL,JSW,TATA,JSPL and RINL

3 Other Major players include players involved in institutional sales such as SSIL, Shyam Metallics, Shri Bajrang Power & Ispat Limited among others

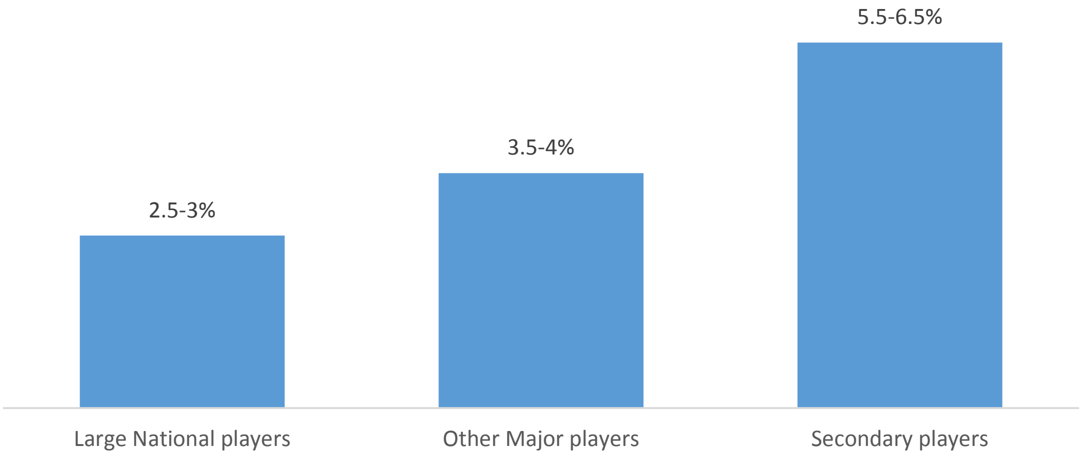
bidders after a technical qualification. In case of government projects the awarding authority prescribes the list of approved vendors for the projects, and the contractor/developers are directed to procure materials only from the vendors prescribed in the list.

Secondary players thrive on offering higher margins and cash discounts

Large national and secondary major players incentivize dealers on offtake by providing volume based discounts. Over and above this, target-based incentives on monthly/annual target achievement includes international trips, gold schemes,upfront discount, etc. largely targeted towards inducing dealer loyalty.

Distributors of large national players and secondary major players may extend the credit period for dealers upto 15 days basis market scenario. However this is solely the responsibility of the distributor

Indicative dealer margins for rebar segment (fixed margins on sales)



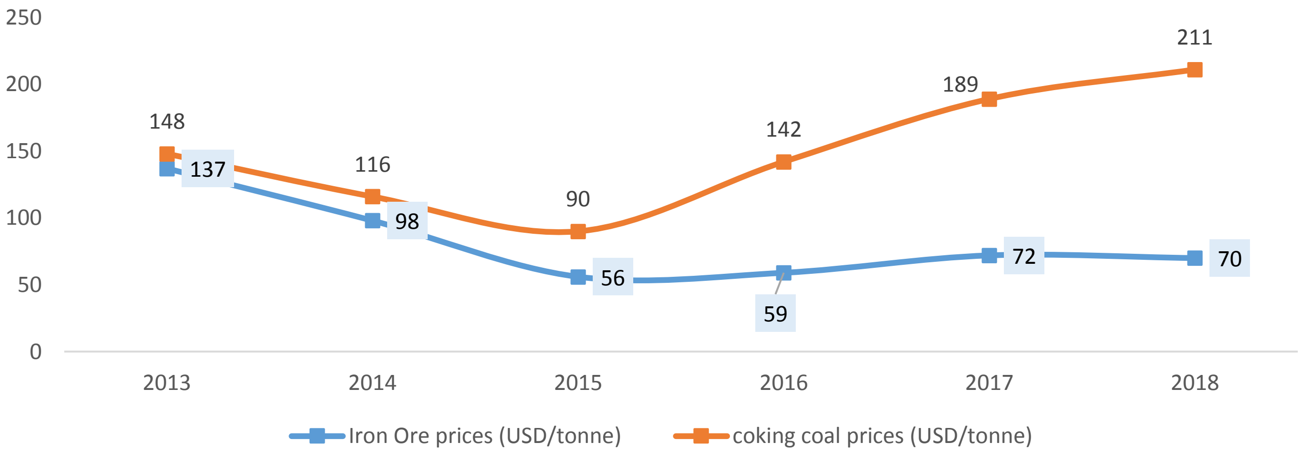
Source: CRISIL Research, industry

Secondary regional players tend to offer cash discounts and typically provide dealers with higher margins when compared to other large / national players.

Global iron ore prices stay range bound with some downward movement while coking coal prices rise in CY 18

Coking coal prices firmed up significantly in 2017 and 2018 primarily led by supply disruptions in Australia and clean air reforms in China. Further healthy demand from other economies especially India also cushioned prices

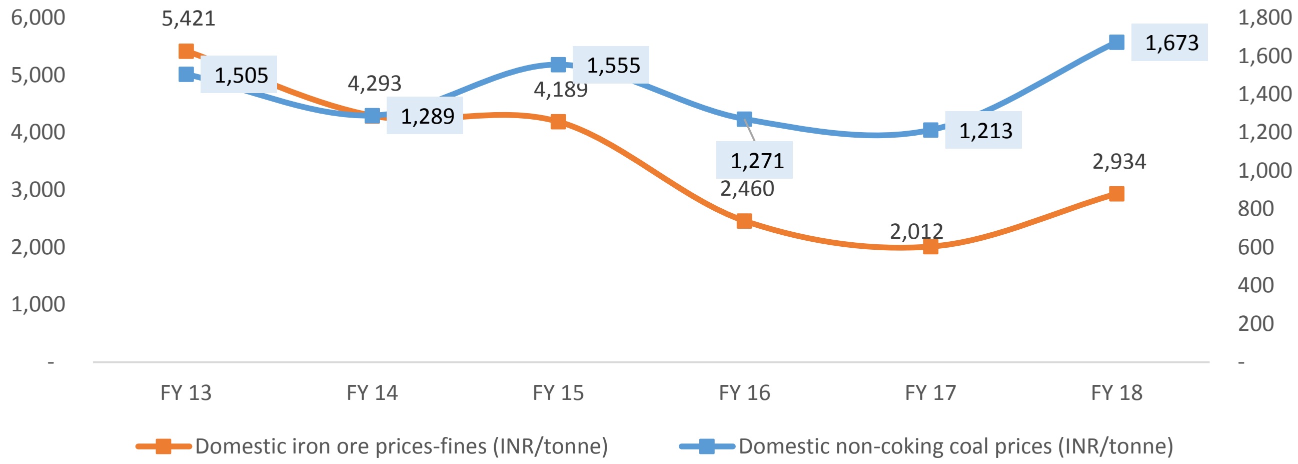
Trend in Global coking coal and iron ore prices



P: projected
Note: Iron ore prices indicated above refer to China CFR 62% Fe content spot price
Source: CRISIL Research

Global iron ore prices were range bound at $ 70 per tonne in 2018 from $ 72 per tonne in 2017 primarily led by healthy global demand esp. in China. Prices had firmed up sharply by 22% in 2017 led by 8% demand growth in China and supply reforms in China.

Trend in domestic iron ore and non-coking coal prices (INR/tonne)



Note: Non coking coal prices in the chart are of E grade (with 4,200 kcal/ kg) e-auction average bid prices
P: Projected
Source: CRISIL Research

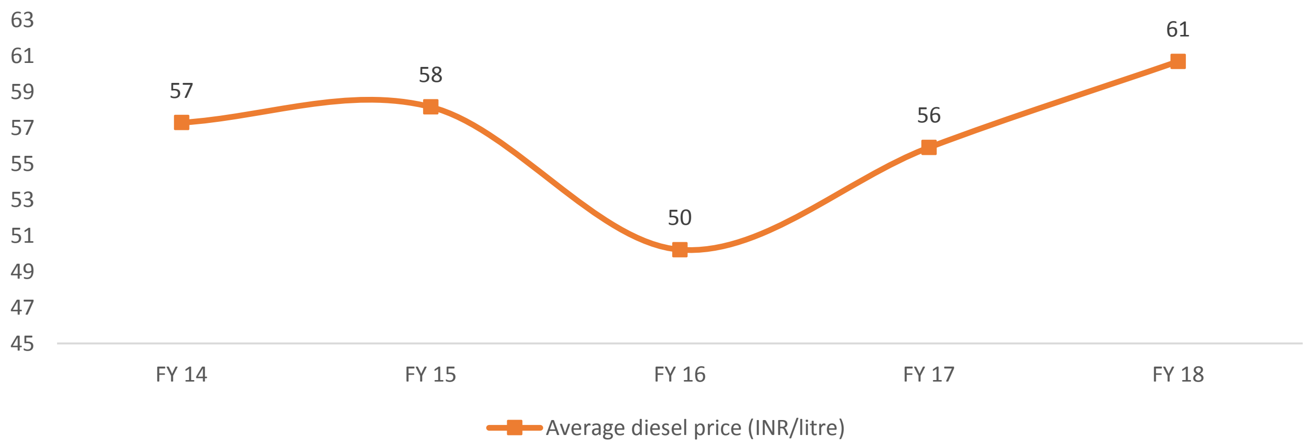
Over the last few years, lower iron ore output affected domestic steelmakers, as the raw material's prices rose. Hence, in an attempt to revive the industry, the government passed the Mines and Minerals Development and Regulation Act (MMDR Act) in March 2015, post which production in the domestic market has improved. The Act directs state governments to renew licenses of both captive and merchant mines - till March 2030 and March 2020, respectively.

Domestic iron ore prices skyrocketed on elevated global iron ore prices, demand pick up and temporary supply disruption in domestic market due to shutdown of mines in Odisha and Goa, in the second half of fiscal 2018.

While, Non-coking coal prices witnessed a rise in the domestic market post 2011-12 as CIL decided to link the e-auction prices to the international prices. To improve supply of coal to the power sector (amid muted production and the sudden price hike), CIL agreed to divert a large portion of coal sold under e-auctions. Consequently, the government directed CIL to restrict e-auctions to only about 7% of its overall production in 2014-15. Resultant, domestic non-coking coal prices swiftly rose to INR 1,555 per tonne. In 2016, the auction witnessed tepid response from the sponge iron and cement sectors pulling the prices down.

However, non-coking coal prices surged in fiscal 2018 with players charging high premiums over notified prices led by increased demand from power sector, thereby resulting in supply shortage of non-coking coal for other sectors.

Trend in Diesel prices (INR/litre)



Source: Industry, CRISIL Research

In FY18, the condition of the economy recovered after a temporary slowdown due to demonetization in second half of FY17. The economic grew by ~6.7% in FY18 as growth in industrial activity & transportation were restored after the shock of demonetization. CV sales growth also supported the diesel demand. The LCV (Light commercial vehicle) grew by ~28-30% in

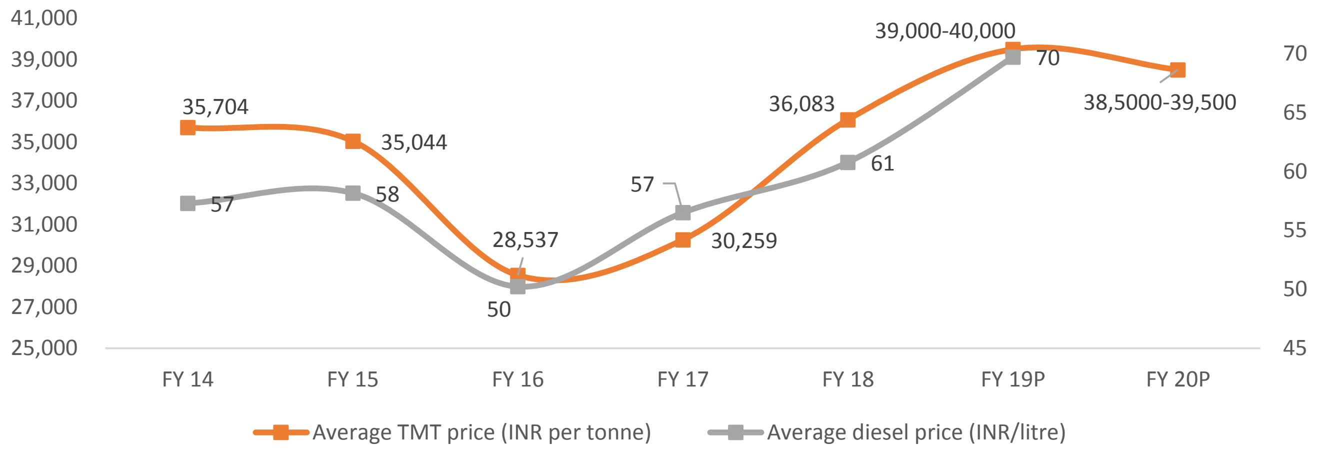
FY18. The MHCV (Medium & heavy commercial vehicles) also grew by 19-20% in FY18. As a result, diesel consumption to grew by ~7% in FY18 owing to the above factors.

Diesel demand grew at a mere 2% in fiscal 2017 on account of demonetization, which slowed industrial activity, coupled with slower sales growth of commercial vehicles (CVs). Demonetization induced a cash shortage which hurt businesses, industry, and agricultural sales, dampening growth in agricultural and other small-to-medium scale sectors, which are heavily cash-reliant.

Domestic TMT prices to also rise in fiscal 2019

Domestic steel prices rose sharply by 17% in fiscal 2017 post hitting multi-year lows in fiscal 2016, due to a series of government backed import curbs and spikes in coking coal price since Q3 fiscal 2017.

Trend in TMT prices (INR/tonne)



P: projected
Note:
1. *Domestic TMT prices are selling prices (excluding duties)*
2. *Prices for TMT are indicative prices of primary steel manufacturers*
3. *Diesel prices for FY 19 are average YTD august 2018 prices*

Source: Industry, CRISIL Research

In fiscal 2018, long steel prices shot up by 19% on-year despite muted demand led by rising iron ore and non-coking coal prices. Going ahead, with robust growth expected from infrastructure segment, we expect long steel demand to pick up. Also, healthy export prospects and surging non-coking coal prices to increase long steel prices further in fiscal 2019

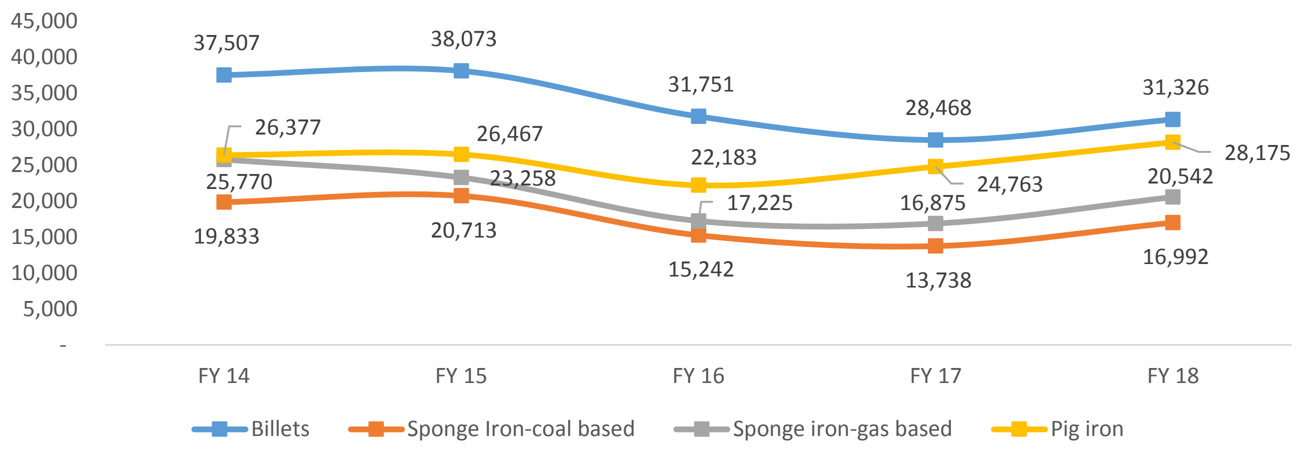
However, with international coking coal prices as well as domestic iron ore prices expected to see a slight dip in FY 20, a similar trend is expected in TMT prices.

Over the past few years, TMT prices have depicted a strong co-relation with diesel prices (indicator for logistics cost) as freight cost commands a high share in the overall cost breakup for TMT bars.

Prices of steel intermediates rose in FY 2018 driven by increase in raw material and scrap prices

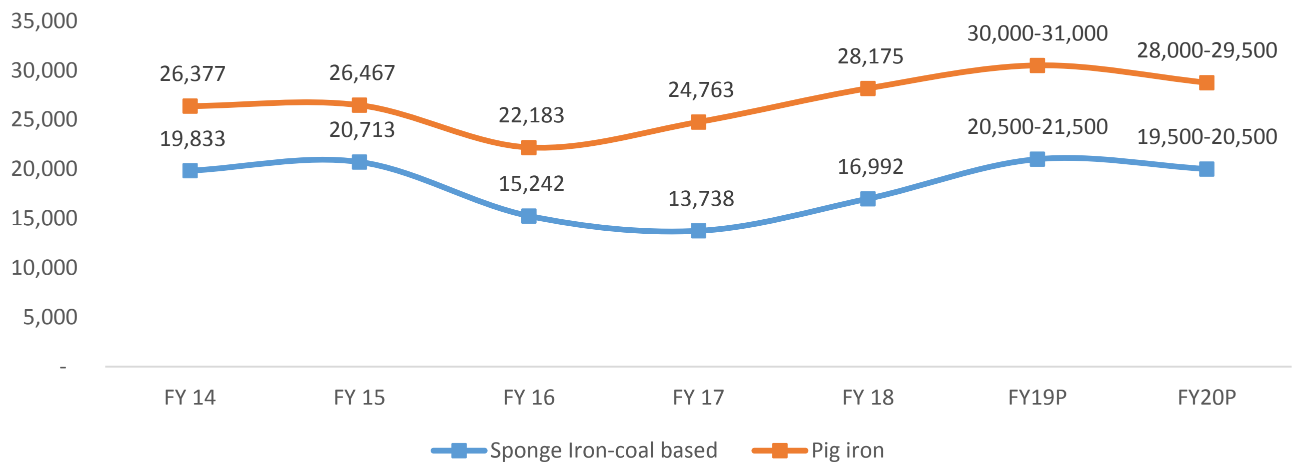
Sponge iron prices have been on an upswing since FY 17 (as well as for FY 17) on back of high international scrap prices and rising input cost; similar trend to continue in near term. While, pig iron prices have increased by ~14% on-year in 2018, aided by elevated raw material prices and demand pick up from auto castings segment.

Trend in steel intermediate prices (INR/tonne)



Source: Industry, CRISIL Research

Outlook for steel intermediate prices (INR/tonne)



Source: Industry, CRISIL Research

Conventionally, sponge iron prices move in tandem with scrap prices, after correcting for quality differences (the metallic yield in scrap is ~99% as compared to 86% in sponge iron). In 2014-15, domestic sponge iron prices increased by 4% to INR 20,713 per tonne despite a 15% decrease in the landed cost of imported scrap. This was primarily owing to temporary closure of mines in Orissa and Jharkhand which led to a sharp rise in iron ore prices. However, in 2015-16 domestic sponge iron prices dropped significantly by 26% on-year and scrap prices declined 19% on-year. This was largely due to weak steel demand coupled with over supply. In 2017-18, rally in domestic long steel prices led to a 24% rise in sponge iron prices, while domestic scrap prices increased by 20% on-year.

In FY19 YTD, sponge iron prices increased by about 32% on-year to Rs.21,017 led by 13% rise in international scrap prices. We foresee prices to hover around 21,000 Rs. / tonne in FY19. However, going ahead prices are expected to ease led by an expected fall in long steel prices as well as correction in scrap prices.

In 2017-18, foundry grade pig iron prices recorded a sharp uptick on back of rising input material cost (especially coking coal prices) due to supply side disruptions. Following this, the prices averaged around INR 28,200 per tonne during 2017-18, an increase of 14% on-year. The prices have rallied in line with rising steel prices. Moreover, continuously rising global coking coal prices has led to pig iron price gain. Prices increased by 1.4x to average around $205 per tonne in 2017.

In FY19 YTD, prices have increased by 13% on-year, aided by healthy demand growth and elevated raw material prices. Thereby, we expect the prices to average around Rs. 30,000 – 31,000 per tonne. However, with moderating demand growth prospects, falling steel prices, and expected decline in coking coal prices in FY20, we expect prices to wallow down in fiscal 2020.

Competitive landscape

Overview of Shyam Steel Industries Limited (SSIL)

SSIL is one of the leading premium branded thermo mechanically treated rebar ("TMT Rebar") player having integrated steel plants. The company is primarily involved in production of TMT rebars with full backward integration in sponge & billet and sale of premium TMT bars (long steel products) in India as well as export destinations. SSIL has in the past actively undertaken backward integration of its operations through production of raw materials such as billets and sponge iron through enhancement of their in-house production capabilities.

SSIL has all its steel manufacturing plants located in West Bengal, in the Eastern region of India which is a steel industry hub. The company's plants are located at a distance (road) of 150-200 km from the riverine port of Kolkata. This proximity to the port reduces last mile lead distance in case of inbound logistics of raw materials by sea. SSIL is one of the few steel companies to have NABL accredited laboratory for TMT rebar testing.

Logistical snapshot of SSIL plants

<table>
<tr><th>Sl. No</th><th>Plant Location</th><th>Distance from NH</th><th>Distance for Railway Siding</th><th>Distance from Port (Haldia)</th></tr>
<tr><td>1</td><td>Angadpur</td><td>6Kms</td><td>4Kms</td><td>272 Kms</td></tr>
<tr><td>2</td><td>Bamunara</td><td>0.9 Km</td><td>6.5 Kms</td><td>260 Kms</td></tr>
<tr><td>3</td><td>Mejia[4]</td><td></td><td>a. Asansol Siding – 37 Kms , connected through NH14 & NH19
b. Durgapur Siding – 40 Kms , connected through NH 14 & NH 19</td><td>305 Kms, (connected through national highway NH-19)</td></tr>
<tr><td>4</td><td>Barjora</td><td>12 km</td><td>9 km</td><td>274 km</td></tr>
<tr><td colspan="5">The company's plants have connectivity to Port, Railway Sidings and Highways for Inward & Outward Movement. Imported Raw Materials are received from Haldia Port and Local raw Materials from Other states are received from Asansol Siding or Durgapur Siding and also locally through Road Transportation (Dumpers, Truck etc.). SSIL's dispatches are mainly through Road transport (Dumpers, Truck etc.)</td></tr>
</table>

Roadways
- All the plants are located in the nearest vicinity of national and state highways, which makes road transportation easy & convenient

Railways
- All the plants are located in the nearest vicinity of the Railway Siding, which makes the transportation of the raw materials simple and cheap. Additionally, SSIL's plants are located in West Bengal which places them in proximity to iron ore mines in Jharkhand and Odisha

Ports
- Few raw materials that are imported through port are also available at a fair distance. There is good road connectivity between the port and the plants

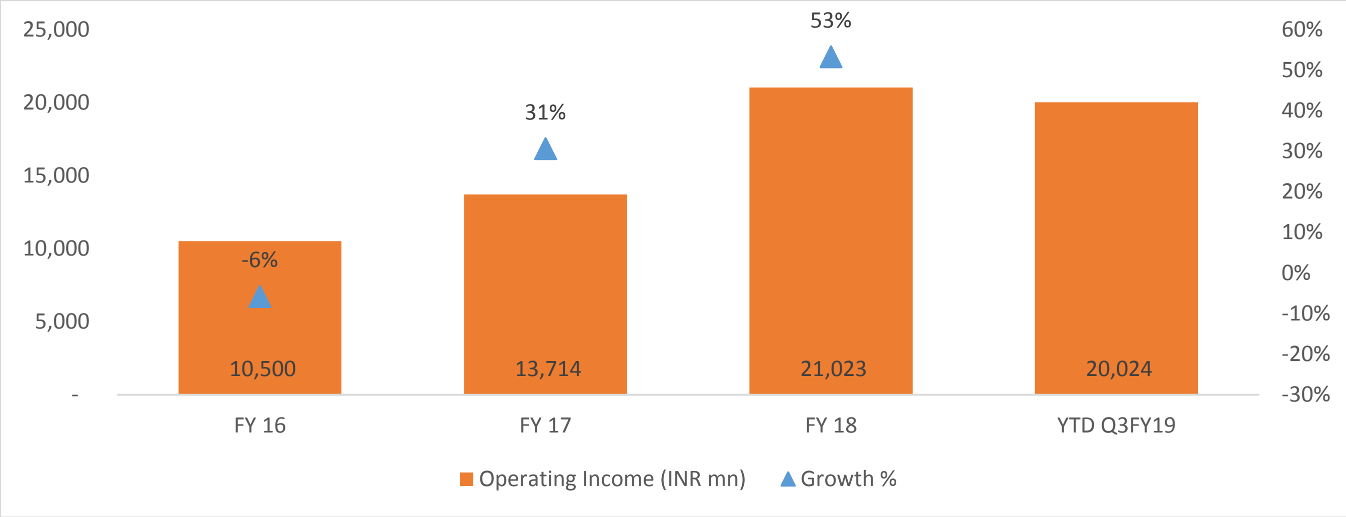
Source: Company (SSIL)

The company's sales have grown at a CAGR of ~30% over the past 2 years from 0.23 MT in FY16 to 0.38 MT in FY18. For FY17 and FY18, >95% of SSIL's revenue is from sale of finished steel products. SSIL has been consistently witnessing a near 50:50 split in retail and institutional sales for the past three years in terms of volume as well as value. Having a balanced portfolio augurs well for the company as it safeguards the company from downturns in any one segment.

[4] The plant belongs to SSIL's subsidiary company SSML

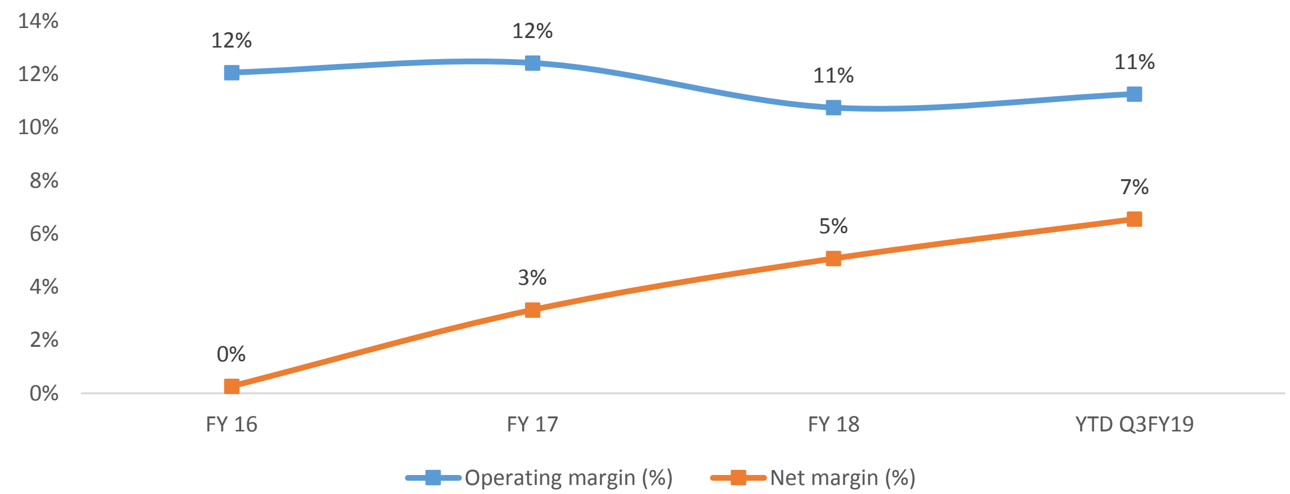
Financial Snapshot of SSIL

Trend in operating income



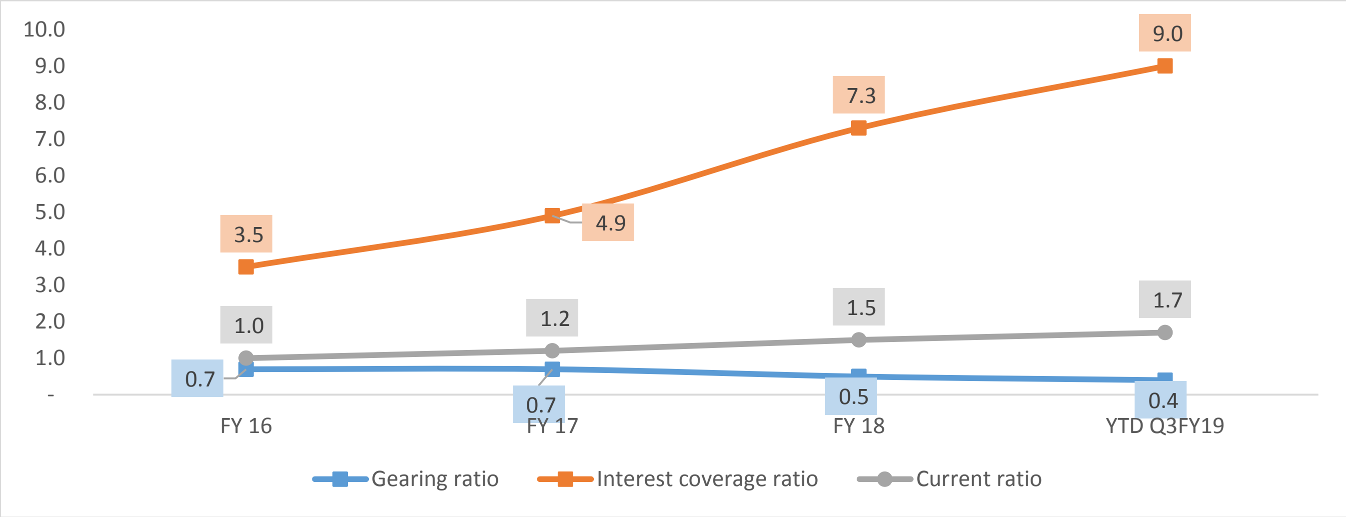
Note: 1. Figures have been reclassified as per CRISIL standards
2. SSIL financials are consolidated
Source: Company (SSIL), CRISIL Research

Trend of profitability of SSIL



Note: 1. Figures have been reclassified as per CRISIL standards
2. SSIL financials are consolidated
Source: Company (SSIL), CRISIL Research

Debt Servicing Profile – SSIL



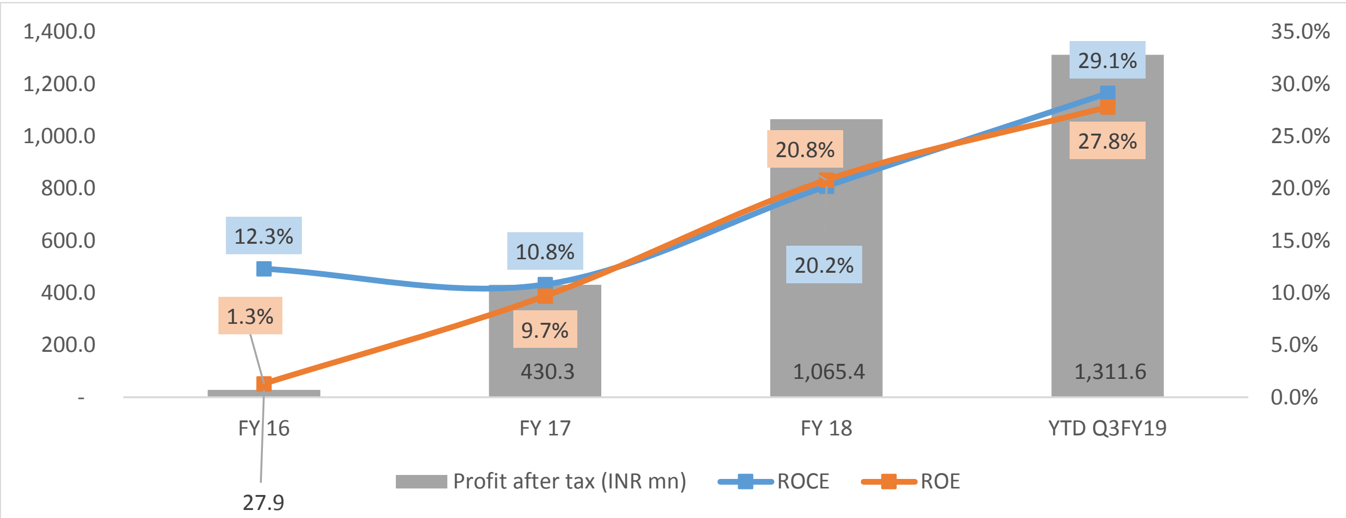
Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials are consolidated*
3. *Gearing ratio has been considered as total debt / tangible net worth*
4. *Interest coverage has been considered as operating profit before depreciation, tax and interest / interest and finance charges*

Source: Company (SSIL), CRISIL Research

Over the past three years, the company's debt servicing profile has improved substantially as the interest coverage ratio has increased to 9.0 in Q3FY19 compared to 3.5 in FY16.

Return on Investment – SSIL



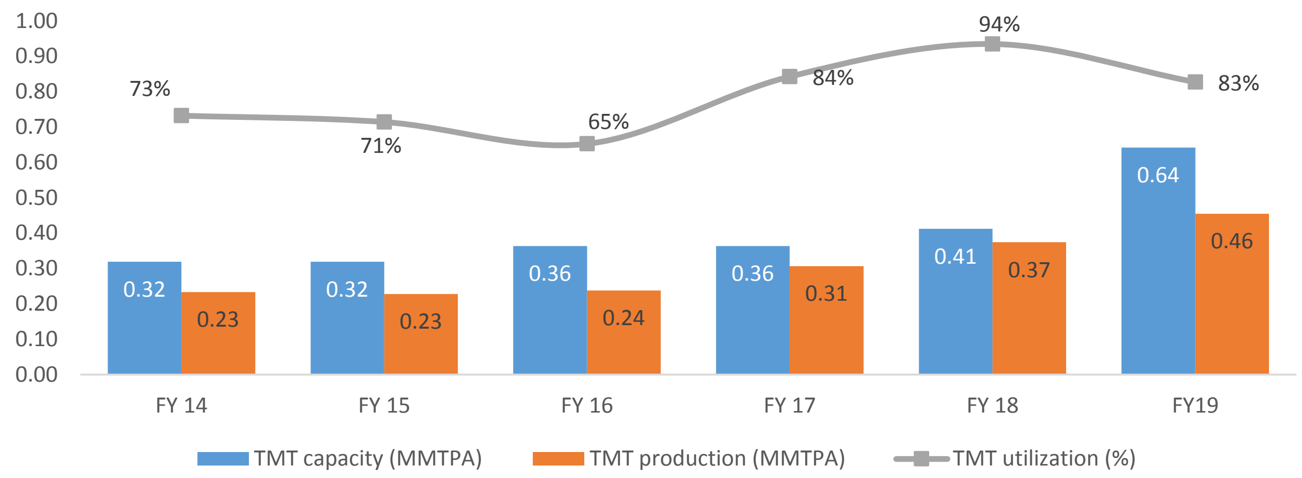
Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials are consolidated*
3. *ROCE (Return on Capital employed) has been considered as Profit before Interest and taxes / (Total debt + Tangible Net Worth)*
4. *ROE (Return on Equity) has been considered as Profit After Tax / Tangible Net Worth*

Source: Company (SSIL), CRISIL Research

SSIL's rebar production has grown at healthy pace to reach 0.46 MT in FY19 from 0.24 MT in FY16. Resultantly the company's utilization levels have improved from 65% in FY16 to 83% in FY19. The annual production capacity of the company, too has increased from 0.32 MMTPA in FY14 to 0.64 MMTPA as of FY19. As a result of capacity addition in FY19, there is drop in the capacity utilizations from 94% in FY18 to 83% for FY19.

Trend in Rebar Production (MMTPA) and Utilizations (%)

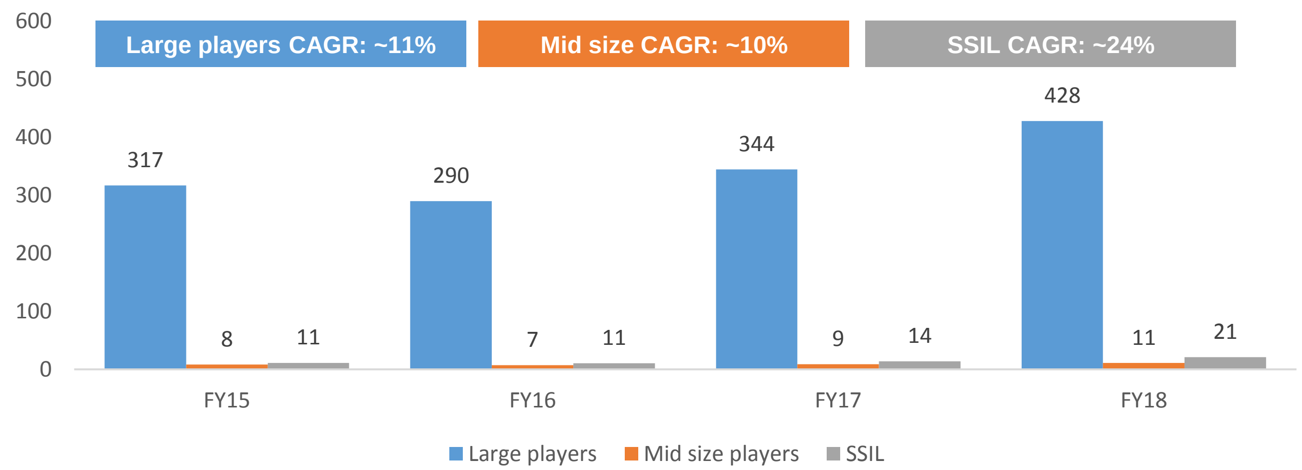


Note:

1. *Capacity figures indicate the total installed capacity at the end of the financial year*
2. *Utilization figures are based on effective capacity*
3. *The decline in utilization from FY 18 to FY 19 is due to capacity expansion in one unit which commercially started in May'18 however considering stabilisation effect, actual effective run has been considered from August, hence utilisation would be considered for 8 months (upto Mar'19) however we may note that on an overall level, production has risen from 0.37 in FY18 to 0.46 in FY19.*

Source: Company (SSIL), CRISIL Research

Trend in Average Operating Income (INR bn)



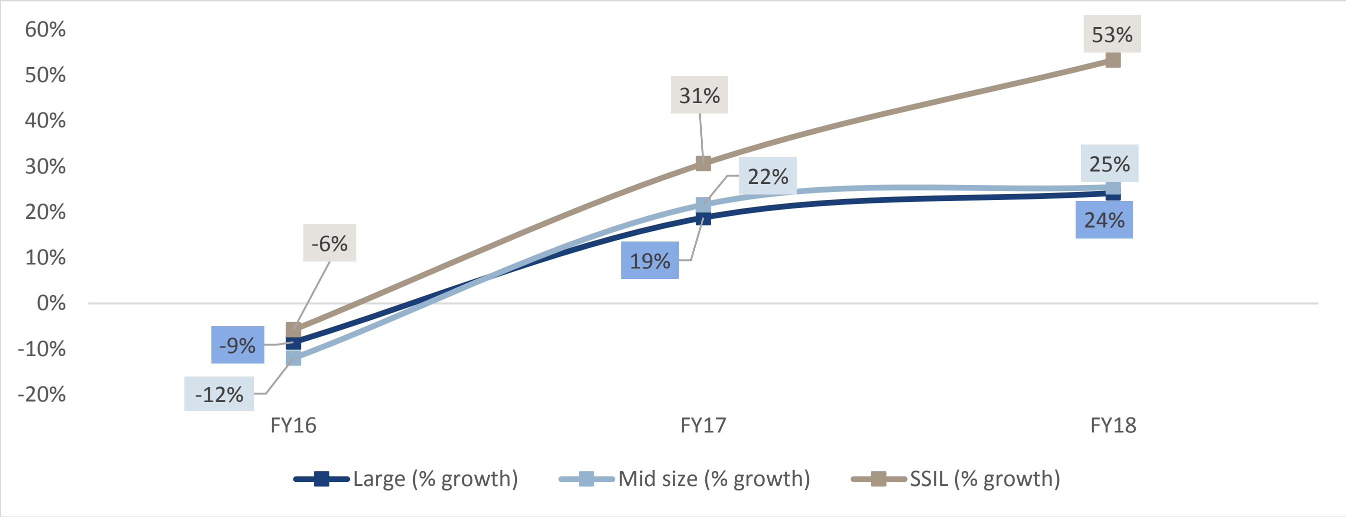
Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY15 to FY18 are consolidated as reported by the company*
3. *The financials for large players are available at an overall company level and not on product (TMT) level. These large players are very huge integrated steel producers with a varied product portfolio in the flat as well as long steel segment.*

Source: Company (SSIL), Company reports, CRISIL Research

Over the past three fiscals (FY15-FY18 period), SSIL's annual revenue has grown at a CAGR of 24% which is considerably higher than the CAGR of large and mid sized players in the Industry. Annual revenue of large players grew at a CAGR of 11% in the past three years, while for mid sized players, the CAGR recorded was 10%. When compared with large players in the set (JSPL,JSW,RINL,SAIL,TATA)., SSIL's has exhibited the best CAGR of revenue growth of 24% during FY15-FY18.

Trend in Average Operating Income Growth (%)

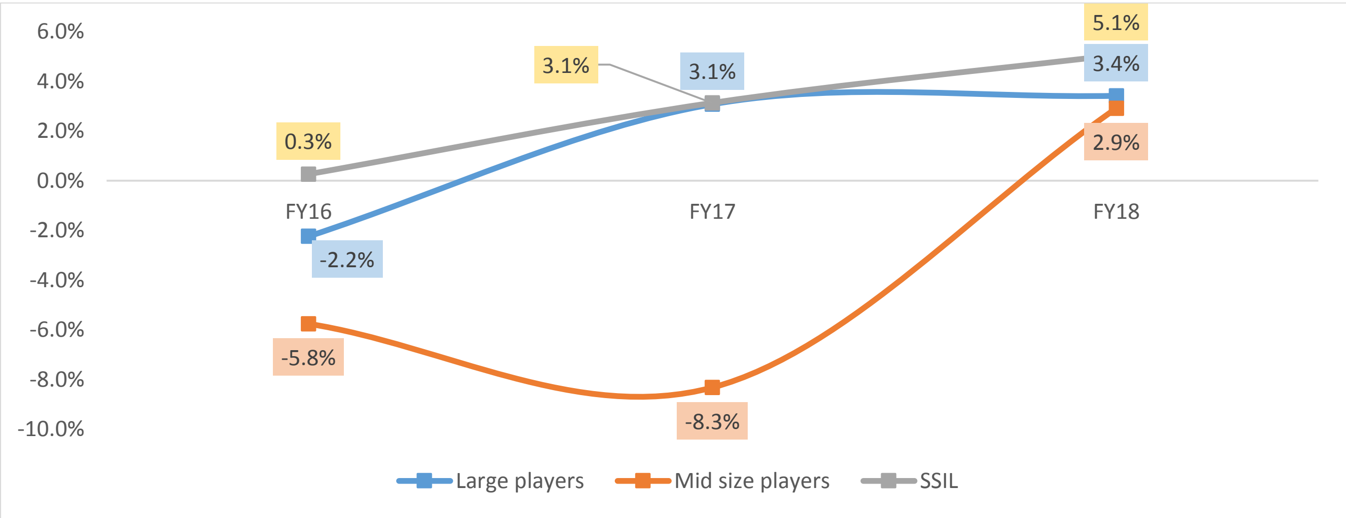


Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*
3. *The financials for large players are available at an overall company level and not on product (TMT) level. These large players are very huge integrated steel producers with a varied product portfolio in the flat as well as long steel segment.*

Source: Company, CRISIL Research

Trend in Average Net Margins (%)



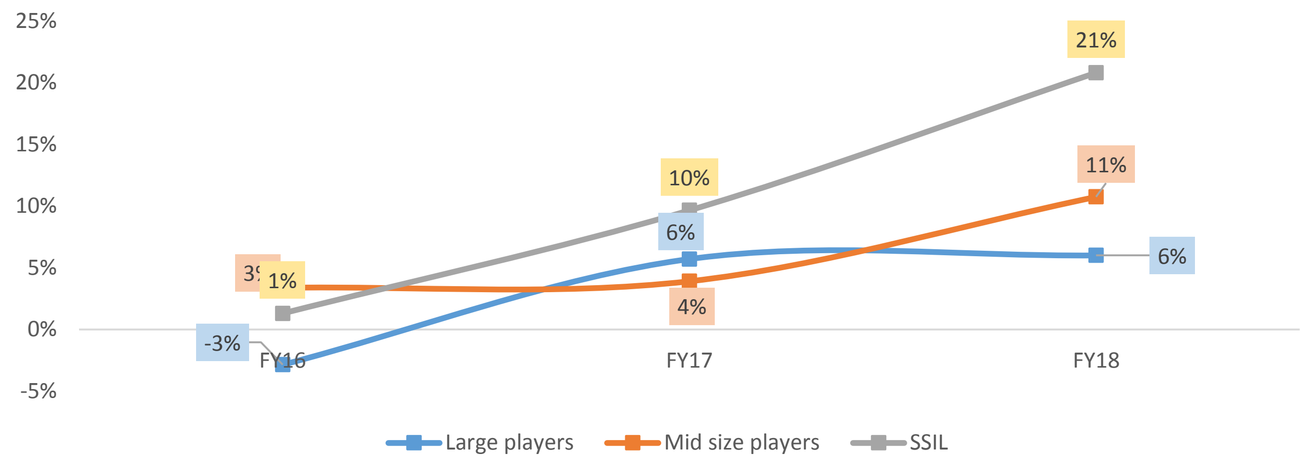
Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*

Source: Company (SSIL), CRISIL Research

During the FY16-FY18 period, SSIL's average net margin of 2.8% has been higher than the average margins of large as well as mid sized players compared in the set which stood at 1.4% and -3.7% respectively.

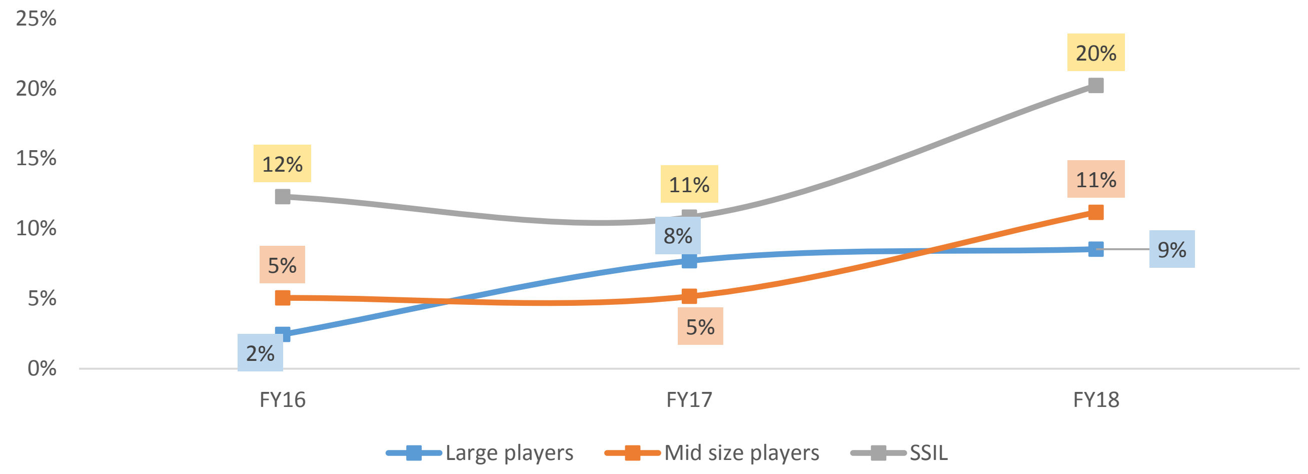
Trend in Average Return on Equity (ROE) (%)



Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*
3. *ROE has been considered as profit after tax/ tangible net worth*

Source: Company (SSIL), CRISIL Research

Trend in Average Return on Capital Employed (ROCE) - %

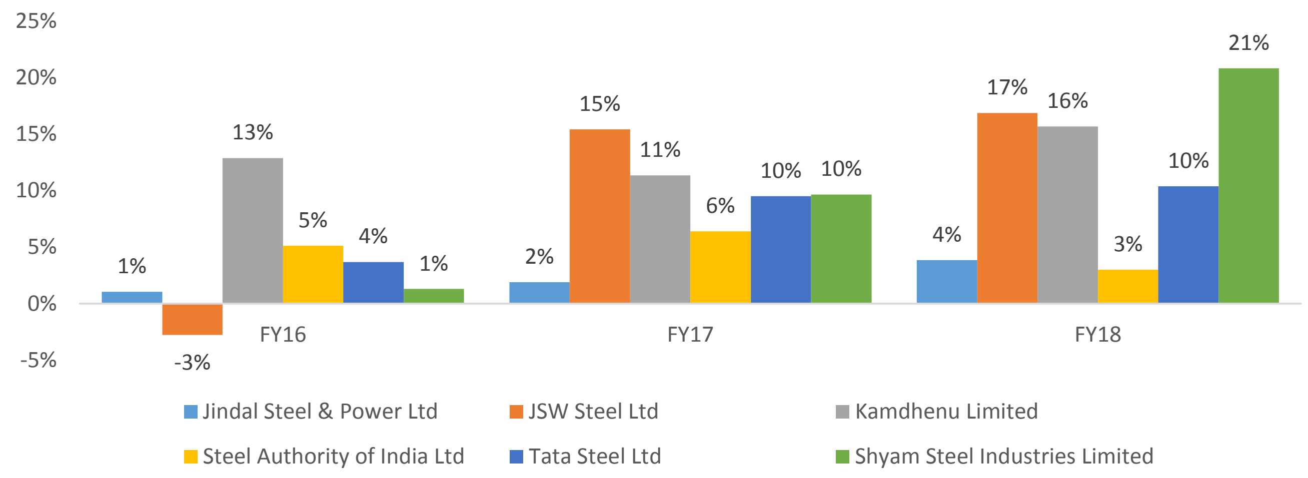


Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*
3. *ROCE has been considered as profit before interest and tax/(tangible net worth + total debt)*

Source: Company (SSIL), CRISIL Research

As seen in the graphs above, SSIL has exhibited a significantly high trend in ROCE over the past three years compared to the peer set. SSIL has exhibited an average ROCE of 14% during FY16-FY18, which is significantly higher compared to average ROCE of large and mid sized players which stood at 6% and 7% respectively. Additionally, during FY16-FY18, SSIL's average ROE was ~11% which was higher than the average ROE of large as well as mid sized players which stood at 3% and 6% respectively.

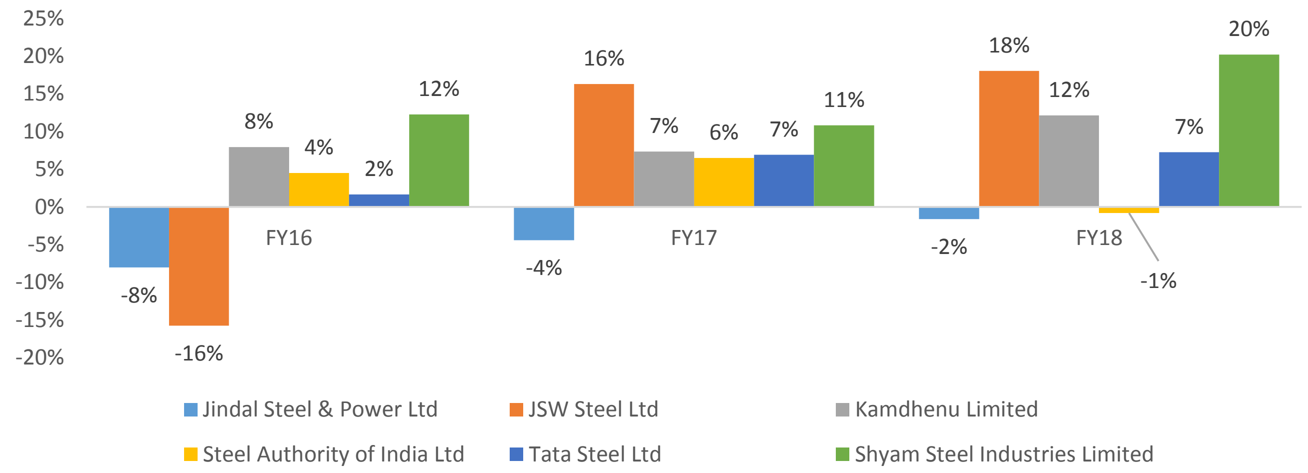
Comparison of SSIL's ROE with listed players in the set



Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials are consolidated*
3. *ROE has been considered as profit after tax/ tangible net worth*

Source: Company (SSIL), CRISIL Research

Comparison of SSIL's ROCE with Listed players in the set



Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials are consolidated*
3. *ROCE has been considered as profit before interest and tax/(tangible net worth + total debt)*

Source: Company (SSIL), CRISIL Research

As seen in the above graphs, when compared with the listed players in the set[5] (comprising of Jindal Steel & Power Ltd, JSW Steel Ltd, Kamdhenu Limited, Steel Authority of India Ltd, Tata Steel Ltd), SSIL has exhibited one of the best ROCE in the past three years.

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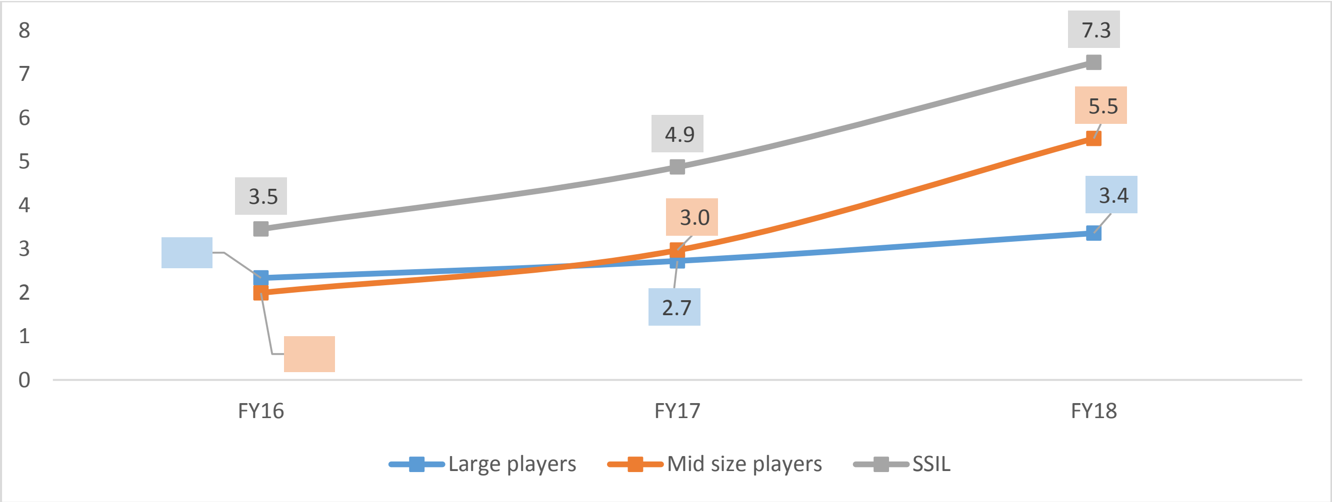
[5] Figures for Adhunik Metaliks Ltd are not meaningful for FY16-FY18 period

Trend in Average Interest Coverage

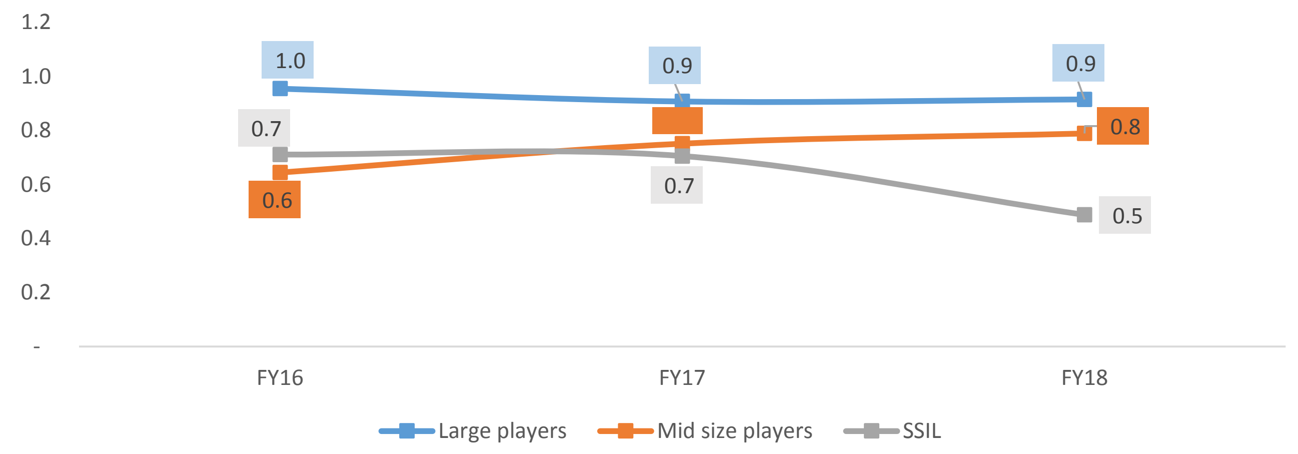


Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*
3. *Interest coverage has been considered as operating profit before depreciation and interest and tax/(interest and finance expenses)*

Source: Company (SSIL), CRISIL Research

Trend in Average Gearing



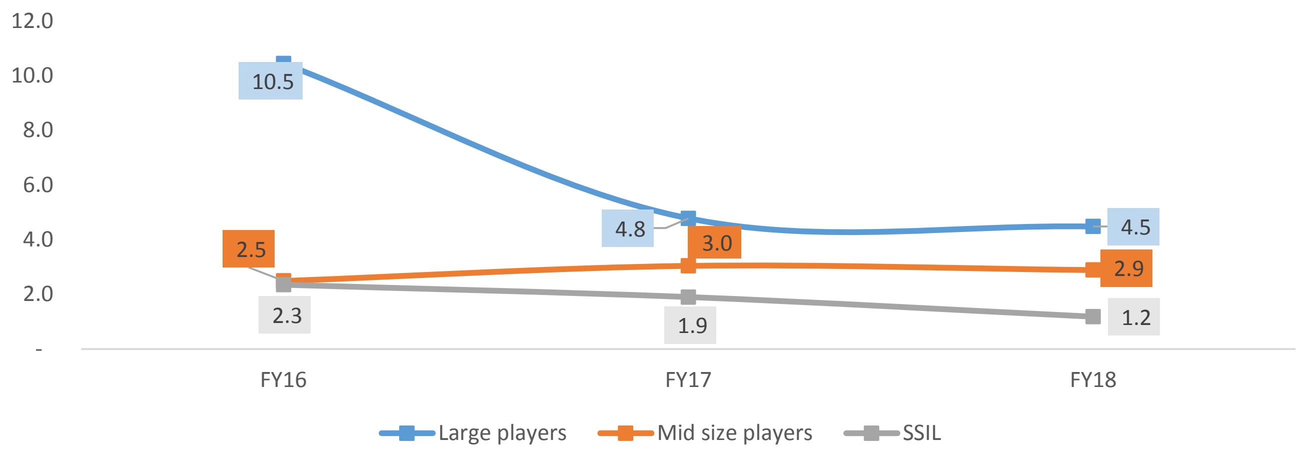
Note:

1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*
3. *Gearing ratio has been considered as total debt/tangible net worth*

Source: Company (SSIL), CRISIL Research

Over the past three years, SSIL's debt servicing profile has improved considerably as it's interest coverage has expanded from 3.5 in FY16 to 7.3 in FY18. This is significantly higher than the average interest coverage of the Large as well as mid size players considered in the set which stands at 3.4 and 5.5 respectively as of FY18. Additionally, SSIL's gearing ratio for FY 18 was 0.5 which was lower than the average gearing of the peer set considered (large players:0.9, mid size players: 0.8).

Trend in Debt/Operating Profit

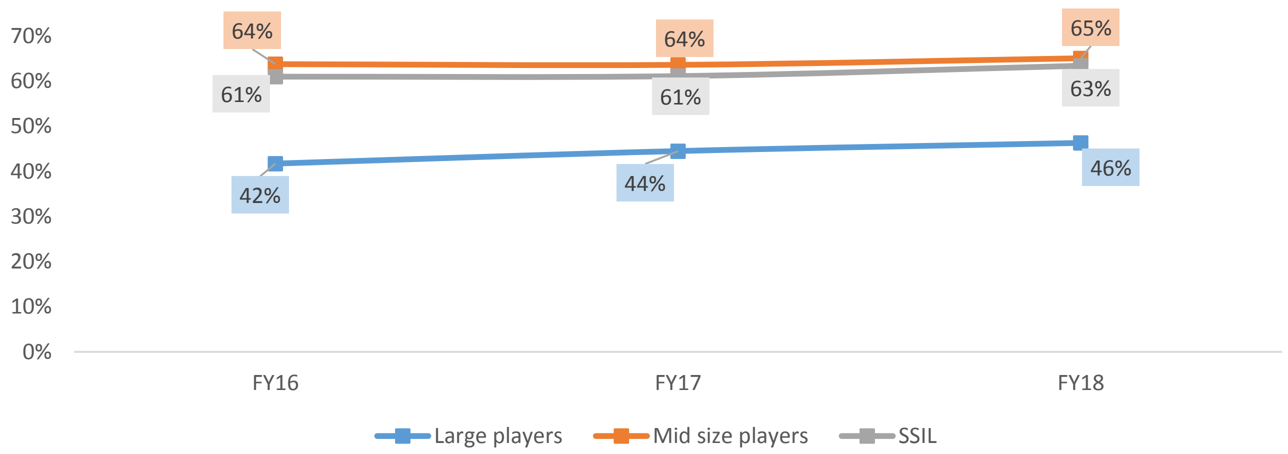


Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*

Source: Company (SSIL), CRISIL Research

SSIL's debt to operating profit ratio, has improved from 2.3 in FY16 to 1.2 in FY18. This is lower than the large and mid size players considered in the set, whose average debt to operating profit ratios moved from 10.5 in FY16 to 4.5 in FY18 for large players, while it moved from 2.5 in FY16 to 2.9 in FY18 for mid sized players.

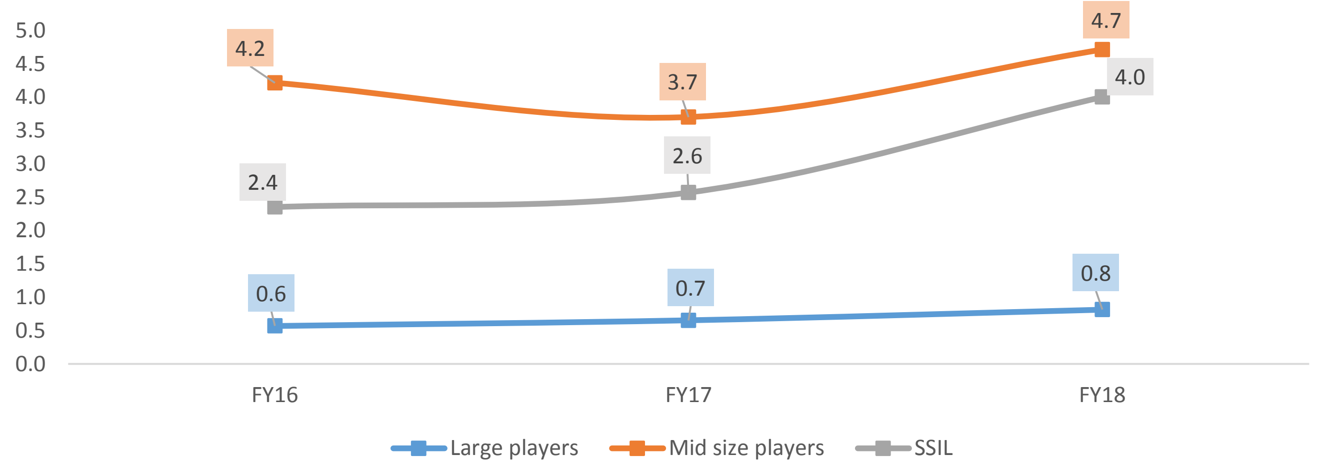
Trend in Average Raw Material Costs as a % of Operating Income



Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*

Source: Company (SSIL), CRISIL Research

Trend in Average Fixed Asset Turnover (FAT)



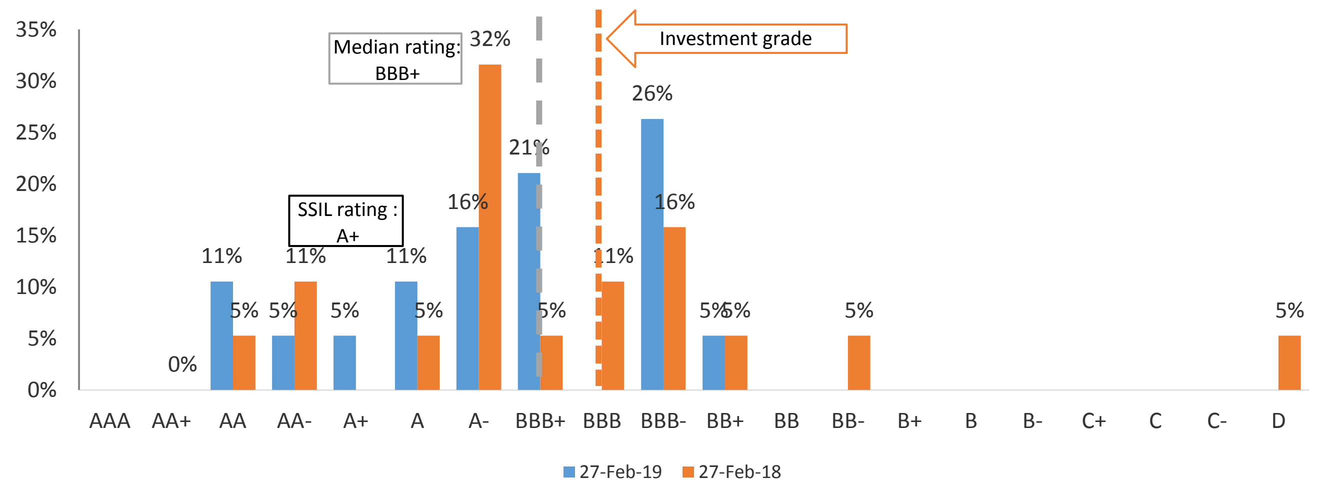
Note:
1. *Figures have been reclassified as per CRISIL standards*
2. *SSIL financials for FY16 to FY18 are consolidated as reported by the company*
3. *FAT has been considered as Net sales/Average Net Fixed Assets*

Source: Company (SSIL), CRISIL Research

Rating Profile

SSIL has a outstanding rating of A+ on its long term debt, and a rating of A1+ on its short term debt which was assigned on 15th June 2018 by CRISIL with a stable outlook. This rating places SSIL above the median rating as well as within the top 20-25% of the set considered for this comparision in terms of credit ratings.

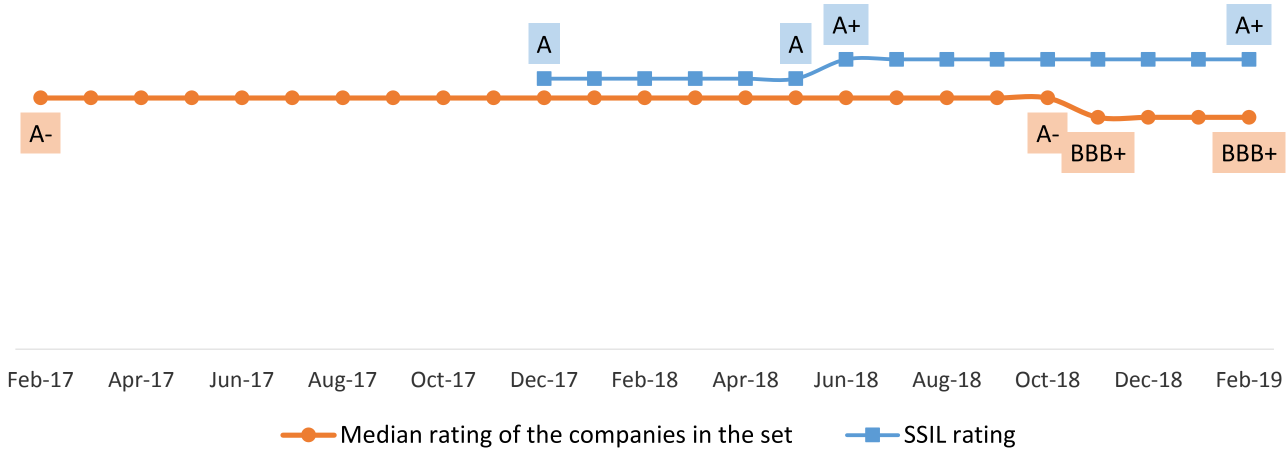
Rating profile of companies in the set



Note: figures indicate the share of rated entities for each rating level
Percentages may not add up to 100% due to rounding
Source: Rating agencies, CRISIL Research

SSIL's ratings reflect the Shyam Steel group's strong business risk profile marked by its dominant position amongst the integrated steel manufacturers in India and its strong brand recall. The business risk profile also takes into consideration the strong operational efficiency reflected in healthy and stable operating profit margin driven by integrated nature of operation and high capacity utilization. The ratings also factor in the company's comfortable financial risk profile marked by a strong net worth, moderate gearing, and comfortable debt protection metrics and ample liquidity of the group marked by sizeable unutilized bank lines which is likely to sustain going forward and strong cash generating ability as compared to its maturing debt obligation. These strengths are partially offset by vulnerability to fluctuations in prices of raw material and finished goods, and exposure to inherent cyclicality and to slowdown in end-user industry.

Rating history of the set



Source: Rating agencies, CRISIL Research

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" beginning on page 22 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" beginning on page 23 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Fiscal ends on March 31 of each year, and references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

You should carefully consider all the information in this Draft Red Herring Prospectus, including, "Risk Factors", "Industry Overview", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 23, 93, 171 and 255, respectively, before making an investment in the Equity Shares. In this section, any reference to the "Company" "we", "us" or "our" refers to Shyam Steel Industries Limited and our Subsidiaries and Associates on a consolidated basis, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Information.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the CRISIL Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal.

Overview

We are one of the leading premium branded thermo mechanically treated rebar ("**TMT Rebar**") players in India having integrated steel plants and a strong brand identity and recall amongst end customers (source: CRISIL Report). We are primarily involved in production of TMT Rebar with backward integration in sponge and billet and sale of premium TMT bars (long steel products) in India (source: CRISIL Report). We have derived 75.97%, 71.82%, 72.17% and 79.25% of our revenue from sale of products for TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016. As on March 31, 2019, the aggregate installed iron and steel production capacity of our Steel Manufacturing Plants was 1,584,656 MTPA, including an installed TMT Rebar production capacity of 641,960 MTPA. Owing to our extensive and strong dealer distribution network and strong brand identity, we have developed a strong retail segment through which we have derived 57.72%, 55.91%, 47.33% and 50.21% of our revenue from sale of TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, respectively. In the institutional segment, we sell quality TMT Rebar for projects of large government entities including public sector undertakings, National Highway Authority of India ("**NHAI**"), railways, military engineer services, Nuclear Power Corporation of India ("**NPCI**") and various state governments. We have delivered strong and consistent financial growth by maintaining low leverage since Fiscal 2016. Our continuous focus on building our brand SHYAM has made us one of the leading premium brands recognised in India for TMT Rebar (source: CRISIL Report).

We operate all our Steel Manufacturing Plants in West Bengal. In addition to production of quality TMT Rebar, as part of our integrated operations and ensuring presence across our entire steel value chain, our Steel Manufacturing Plants also manufacture raw materials for production of quality TMT Rebar such as sponge iron, billets and ferro alloys, which are primarily used for captive consumption. We also operate two captive power plants in West Bengal with an aggregate capacity of 25 MW, supplying power to the direct reduced iron unit ("**DRI**"), the steel melting shop ("**SMS**") and the rolling mill ("**RM**") at our Steel Manufacturing Plants. From Fiscal 2016 to Fiscal 2019, our production capacity of iron and steel has increased from 1,048,860 MTPA to 1,584,656 MTPA, which includes an increase in installed TMT Rebar production capacity from 363,960 MTPA in Fiscal 2016 to 641,960 MTPA in Fiscal 2019. As on March 31, 2019, the aggregate iron and steel making (excluding allied products such as wire mill, nail, stirrups and ribbed bar) utilisation capacity of our Steel Manufacturing Plants was 94%, which included TMT Rebar utilization capacity of 83%.

Our Steel Manufacturing Plants are located in West Bengal which places them in proximity to iron ore mines in Jharkhand and Odisha. Additionally, all of our Steel Manufacturing Plants are located in the nearest vicinity of the railway siding, which makes the transportation of the raw materials simple and cheap (source: CRISIL Report). With a view to have control on cost of the production of quality TMT Rebar and related cost, we have in the past actively undertaken backward integration of our operations through enhancement of our in-house production capabilities for production of raw materials such as billets and sponge iron. We have also undertaken selective inorganic growth, such as acquisition of financially stressed companies. These include acquisition of (a) Shreegopal Hi-Tech Private Limited (*now amalgamated with our Company*) ("**Shreegopal Hi-Tech**") in Fiscal 2008, and (b) Shyam Steel Manufacturing Limited, our wholly-owned subsidiary (*formerly known as Sova Ispat Limited*) ("**SSML**") in Fiscal 2011, both engaged in the business of steel manufacturing. Post such acquisitions, we have been successful in turning around Shreegopal Hi-Tech and SSML into low-debt units along with achieving operational efficiency at these Steel Manufacturing Plants.

Our customer portfolio comprises two major segments which are retail customers and institutional customers.

As part of our retail customer portfolio, we typically sell quality TMT Rebar to individual buyers including individual house builders, and contractors, through our dealers and distributors ("**Retail Customers**"). We believe that our key differentiators in the retail segment are our established track record of delivering quality TMT Rebar, strong brand identity, a well-established dealer and distribution network, and an in-house retail customer relation management with wide outreach and extensive market research ("**Retail CRM**"). We use Retail CRM for *inter alia*, to maintain a centralized data bank of new and prospective dealers, distributors, customers and projects, ascertain prospective demand of our products in different regions and for a quick redressal of our customer, dealer and distributor grievances and feedback and track the on-field movement of our marketing salesforce. We endeavour to ensure timely delivery of our products and also provide credit period and other value added services such as free home delivery and customized product cuts to our Retail Customers. We have a strong and deep presence in eastern and north eastern part of India which we have achieved through our sales network and strong Retail CRM. As on March 31, 2019, we have a strong dealer distribution network comprising of over 1,762 dealers and 50 distributors spread across the northern and eastern parts of India. Due to our deep and consistent focus on retail segment and increasing brand and quality awareness, the number of dealers has steadily increased from 754 in Fiscal 2016 to 1,148 in Fiscal 2017 to 1,524 in Fiscal 2018 to 1,762 in Fiscal 2019. There has been a year-on-year growth in terms of total revenue of TMT Rebar and allied products in the retail segment by 19.88% and 72.40% from Fiscal 2016 to Fiscal 2017 and Fiscal 2017 to Fiscal 2018, respectively.

As part of our institutional customer portfolio, we sell quality TMT Rebar to institutional customers ("**Institutional Customers**"). Our key Institutional Customers include Hindustan Construction Company Limited, Gammon Engineers and Contractors Limited, Gayatri Projects Limited, Iron Triangle Limited, Royal Infraconstru Limited, Tribeni Constructions Limited and Bhartia Infra Projects Limited. We sell quality TMT Rebar primarily for projects of large government entities including public sector undertakings, the NHAI, railways, military engineer services, NPCI and various state governments. In the institutional space, our Company is one of the few approved suppliers for key government departments such as NHAI, state governments, military engineering services and Indian Railways amongst others (source: CRISIL Report). We use an in-house institutional customer relation management ("**Institutional CRM**") to track the timeline of a government project from the announcement of such project until its completion and timely follow-up with the contractors who have been awarded the infrastructure project in order to assess demand of TMT Rebar. We believe that our ability to provide credit period and our endeavour to ensure timely delivery of our products is one of the key differentiating factor in the institutional segment. Our Institutional Customers are spread across various segments including nuclear plant, roadways, thermal and hydel power, railways, metro rails, sea ports and refinery plants. During Fiscals 2019, 2018 and 2017, the number of government projects for which our Company was empanelled as approved suppliers were 23, 25, 35, respectively. The number of project sites to which we have supplied quality TMT Rebar and allied products through our Insitutional Customers has increased from 1,229 in Fiscal 2016 to 1,552 in Fiscal 2017, to 1,655 in Fiscal 2018 and 2,008 in Fiscal 2019, respectively. Our Institutional Customers have increased from 749 in Fiscal 2016 to 908 in Fiscal 2017, to 936 in Fiscal 2018 to 1,151 in Fiscal 2019. There has been a year-on-year growth in terms of total revenue of TMT Rebar and allied products in the institutional segment by 34.54% and 22.13% from Fiscal 2016 to Fiscal 2017 and Fiscal 2017 to Fiscal 2018, respectively.

For the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016, our total income was ₹ 20,141.32 million, ₹ 21,629.04 million, ₹ 15,224.67 million and ₹ 11,690.60 million, respectively. Our consolidated Earnings Before Interest, Taxes, Depreciation and Ammortisation ("**EBITDA**") for the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 was ₹ 2,369.87 million, ₹ 2,399.74 million, ₹ 1,702.72 million and ₹ 1,355.33 million, respectively. Our consolidated profit after tax for the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 was ₹ 1,313.49 million, ₹ 1,093.60 million, ₹ 446.76 million and ₹ 74.00 million, respectively. Our total income, consolidated EBIDTA and consolidated profit after tax grew at a CAGR of 36.02%, 33.06% and 284.43%, respectively, from Fiscal 2016 to Fiscal 2018.

Our Competitive Strengths

Premium branded TMT Rebar player with focus on Retail Customers

We are one of the leading premium branded TMT Rebar players in India having integrated steel plants and a strong brand identity and recall amongst end customers (source: CRISIL Report). We have derived 75.97%, 71.82%, 72.17% and 79.25% of our revenue from sale of products for TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016. Further, our Company is at par with key large players in steel industry in terms of pricing of TMT Rebar making our Company one of the few premium branded TMT players in the steel industry (source: CRISIL Report).

We believe that our key differentiators in the retail segment are our established track record of delivering quality TMT Rebar, strong brand identity, a well-established dealer and distribution network and Retail CRM. Over a period of time, we have established strong network and achieved deep penetration in the eastern and north-eastern region of India with our Retail Customers. We have conducted marketing activities in these regions to ensure that our brand and quality is recognized by Retail Customers, which we believe helps us to achieve premium pricing for our quality TMT Rebar. In the Indian TMT market, we are one of the leading premium branded TMT Rebar players in India having integrated steel plants and a strong brand identity and recall amongst end customers (source: CRISIL Report). Due to our deep and consistent focus on retail segment and increasing brand and quality awareness, the number of dealers has increased from 754 in Fiscal 2016 to 1,148 in Fiscal 2017 to 1,524 in Fiscal 2018 to 1,762 in Fiscal 2019.

We believe that due to our track record and quality TMT Rebar, we have a history of high Retail Customer retention and satisfaction, a significant proportion of our customers based on repeat business generated in the preceding Fiscals. We endeavour to ensure timely delivery of our products and also provide credit period and other value added services such as free home delivery and customized product cuts to our Retail Customers. During the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016, sale to Retail Customers constituted 57.72%, 55.91%, 47.33% and 50.21%, respectively, of our total revenue from sale of TMT Rebar and allied products.

Due to higher gross margin, large scope of penetration in Retail Customer segment and comparatively low volatility in demand, we have continuously focused on sale to Retail Customers. Our Company has consistently made profits and sustained revenue during last three fiscals when the steel sector, in general, had undergone several challenges such as demonetization, implementation of GST, slowdown in real estate amongst others (source: CRISIL Report). We have emerged as relatively immune to the cyclical nature of the steel industry (source: CRISIL Report).

We have a pan-India distribution network catering to our Institutional Customers. Our Institutional Customer base is spread across various segments including nuclear plant, thermal and hydel power, airports, railways, metro rails, sea ports and refinery plants. In the institutional space, our Company is one of the few approved suppliers for key government departments such as NHAI, state governments, military engineering services and Indian Railways amongst others (source: CRISIL Report). The project sites to which we have supplied quality TMT Rebar, through our Institutional Customers, has increased from 1,229 in Fiscal 2016 to 1,552 in Fiscal 2017 to 1,655 in Fiscal 2018 and 2,008 in Fiscal 2019, respectively. Our Institutional Customers have increased from 749 in Fiscal 2016 to 908 in Fiscal 2017 to 936 in Fiscal 2018 to 1,151 in Fiscal 2019. There has been a year-on-year growth in terms of total revenue of TMT Rebar and allied products in the institutional segment by 34.54% and 22.13% from Fiscal 2016 to Fiscal 2017 and Fiscal 2017 to Fiscal 2018, respectively.

Successful expansion through focus on backward integration and selective inorganic expansion

As part of our long term strategy, we have made significant efforts to undertake backward integration at our Steel Manufacturing Plants by increasing the production of our intermediate products through expansion in production capacities of the DRI Unit and SMS. Backward integration helps in achieving efficiency, reducing in product costs, control over supply of raw materials and reduce our dependency on third parties for our operations.

While we had commenced our business with manufacturing of quality TMT Rebar, we have strategically achieved backward integration in the business value chain by expanding our capacity to manufacture raw materials such as billets and sponge iron. We have in the past enhanced the production capacities of sponge iron, SMS and rolling mill at our Steel Manufacturing Plants. From Fiscal 2016 to Fiscal 2019, our production capacity of iron and steel has increased from 1,048,860 MTPA to 1,584,656 MTPA, which includes an increase in installed TMT Rebar production capacity from 363,960 MTPA in Fiscal 2016 to 641,960 MTPA in Fiscal 2019. Additionally, our revenue from sale of products for TMT Rebar and allied products increased from ₹ 8,206.52 million in Fiscal 2016 to ₹ 15,230.35 million in Fiscal 2018. The aggregate power capacity of our captive power plants set-up at the Angadpur Plant and Mejia Plant is 25 MW. Further, our Steel Manufacturing Plants are located in West Bengal, which is a steel industry hub with access to raw materials and iron ore & coal mines. We are also connected to roads, railway sidings and ports, which enables us to reduce the logistical costs associated with the transportation of raw materials and finished goods to and from our Steel Manufacturing Plants (source: CRISIL Report).

We have also focused on expansion of our production capacity of quality TMT Rebar by undertaking selective inorganic growth, such as acquisition of financially stressed companies. These include acquisition of (a) Shreegopal Hi-Tech in Fiscal 2008, and (b) SSML in Fiscal 2011, both engaged in the business of steel manufacturing. These acquisitions have helped us increase our production capacity of quality TMT Rebar and other products such as sponge iron, ferro alloy and billets and also increase our capacity to generate captive power. Post such acquisitions, we have been successful in turning around Shreegopal Hi-Tech and SSML into a low-debt unit along with achieving operational efficiency at these Steel Manufacturing Plants.

Strong and consistent financial performance with low leverage

We have delivered strong and consistent financial growth by maintaining low leverage since Fiscal 2016. We believe that due to our focus on Retail Customers and consistent support from our Institutional Customers and our integrated operations, we have managed to deliver consistent financial performance across business cycles in the last few Fiscals despite of adverse conditions in the steel sector. Our Company has exhibited a consistent RoCE as compared to average RoCE of large and mid-sized players in the Indian steel industry (source: CRISIL Report). During Fiscal 2016 – 2018, our Company's average RoE was higher than the average RoE of large as well mid-sized players. (source: CRISIL Report) For further details on RoCE, RoE and comparative financial performance, see "*Industry Overview- Competitive landscape"* beginning on page 113.

Our total income, consolidated EBIDTA and consolidated profit after tax grew at a CAGR of 36.02%, 33.06% and 284.43%, respectively, from Fiscal 2016 to Fiscal 2018. Details of our consistent financial performance are as follows:

Financial performance	Nine months period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Total income	₹ 20,141.32 million	₹ 21,629.04 million	₹ 15,224.67 million	₹ 11,690.60 million
Consolidated EBITDA	₹ 2,369.87 million	₹ 2,399.74 million	₹ 1,702.72 million	₹ 1,355.33 million,
Consolidated profit after tax for the period/ year	₹ 1,313.49 million	₹ 1,093.60 million	₹ 446.76 million	₹ 74.00 million
Return on equity	18.88%	19.37%	9.70%	1.66%
Debt to equity ratio	0.10	0.40	0.63	0.63

In terms of revenue growth, our CAGR during Fiscal 2016 and Fiscal 2018 grew relatively at a higher rate as compared to large as well as mid-sized players (source: CRISIL Report). During Fiscal 2016 and Fiscal 2018, our Company's average net margin has been higher than the average margins of large as well as mid-sized players (source: CRISIL Report). Our long term and short term debt are currently rated as CRISIL A+ and CRISIL A1+, respectively, by CRISIL. Our Company's ratings reflect our group's strong business risk profile marked by its dominant position amongst the integrated steel manufacturers in India and its strong brand recall (source: CRISIL Report). We have maintained a high return of equity during the nine months period ended December 31, 2018 and the Fiscal 2018 (source: CRISIL Report). Additionally, over the past three years, our Company's debt servicing profile has improved considerably as its interest coverage has expanded in Fiscal 2018 (source: CRISIL Report). Our debt-equity ratio decreased significantly in Fiscal 2018 and during the nine months period ended December 31, 2018. Our Company's ratings reflect our group's strong business risk profile marked by its dominant position amongst the integrated steel manufacturers in India and its strong brand recall. The business risk profile also takes into consideration the strong operational efficiency reflected in healthy and stable operating profit margin driven by integrated nature of operation and high capacity utilization. The ratings also factor in our Company's comfortable financial risk profile marked by a strong net worth, moderate gearing, and comfortable debt protection metrics and ample liquidity of the group marked by sizeable unutilized bank lines which is likely to sustain going forward and strong cash generating ability as compared to its maturing debt obligation. These strengths are partially offset by vulnerability to fluctuations in prices of raw material and finished goods, and exposure to inherent cyclicality and to slowdown in end-user industry (source: CRISIL Report). For further details, see "*Industry Overview-Competitive landscape*" beginning on page 113.

Strong brand recall with a robust sales process

In the Indian TMT market, our Company which is one of the leading premium branded TMT Rebar players in India enjoys a strong brand identity and recall amongst end customers as branding and marketing plays a key role in the retail sales segment of the TMT Rebar market (source: CRISIL Report). We do not sell our quality TMT Rebar as a mere commodity but, instead enjoy a strong brand recall value in the market. We believe that our strong brand identity of SHYAM is a result of years on investment in various branding and related ancillary activities. Our Company has been consistently investing in various branding initiatives, such as advertisements in electronic media, outdoor branding, digital media and print media. As a part of our branding strategy to maximise outreach and recognition, our brand is endorsed by Virat Kohli and Anushka Sharma. Our continuous focus on building our brand SHYAM has made us one of the leading premium brands recognized in India for TMT Rebar.

We have also adopted strategies such as dealer point branding, above-the-line branding and below-the-line branding to ensure maximum visibility and awareness. Our advertisement and sales promotion expense has increased over the years from ₹ 129.46 million in Fiscal 2016 to ₹ 349.38 million in Fiscal 2017 by 169.87% and from ₹ 349.38 in Fiscal 2017 to ₹ 366.53 million in Fiscal 2018 by 4.91%, respectively. The advertisement and sales promotion expense during the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 as a percentage of total income during such periods was 1.80%, 1.69%, 2.29% and 1.11%, respectively.

We are consistently involved in technology upgradation and have invested in our in-house Retail CRM and Institutional CRM, to perform and automate business tasks enabling efficient management of our sales process. As on March 31, 2019, we have a strong salesforce of 497 employees carrying out the sales and marketing process for supply of quality TMT Rebar to our Retail Customers and Institutional Customers. Under our Retail CRM, our sales officers carry out market surveys at pre-planned routes, to map dealers and conduct detailed survey for outdoor branding and plot the individual house builders on the Retail CRM application. Based on the information provided on the Retail CRM application and post ascertainment of the demand in a particular region and final order received from the Retail Customers via our sales representative, we supply quality TMT Rebar to our distributors and dealers for sale of our products to the end consumers. We use Retail CRM for *inter alia*, to maintain a centralized data bank of new and prospective dealers, distributors, customers and projects, ascertain prospective demand of our products in different regions and for a quick redressal of our customer, dealer and distributor grievances and feedback and track the on-field movement of our marketing salesforce. The Retail CRM application allows our sales partners (dealers, sub-dealers and distributors), to track invoices, view detailed ledgers, provide feedback and check dispatch history against their orders. Retail CRM allows our Company, *inter alia*, create a robust platform for reporting and data collection, reduce data duplication, analyse data generated on the application, create manangement information systems and maintain continuous relationship with our sales partners.

Under the Institutional CRM, we track the timeline of a government infrastructure project. Our marketing sales force uses Institutional CRM to track the potential infrastructure projects by uploading *inter alia*, project specification and description/ location, value, bill of quantities, approved supplier list, contractor details, project and progress status, date of commencement and completion on the Institutional CRM application. Based on the data collected, the timeline of such infrastructure project is ascertained and leads are generated. Our marketing sales force continuously follow-up with the government entities for understanding the progress of an infrastructure project. Our marketing sales force do follow-up with the contractors that have been awarded an infrastructure project contract.

We also use systems, applications and products ("**SAP**") **(**ERP software) for integrating business processes, including accounting, finance & costing, sales and distribution, material management, production and planning, quality control, human resources and payroll & project systems in an integrated environment. We believe that due to our focused approach on achieving integrated business, operations and technology, we have consistently achieved high EBIDTA margin of around 12% across our operations during the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and Fiscal 2016. During the Fiscal 2016-2018, our Company's average net margin has been higher than the average margins of large as well as mid-sized players during such period (source: CRISIL Report).

Experienced management and operational team with strong domain expertise

We are led by the Beriwala family which has over six decades of aggregate experience in the steel business and their experience and vision have enabled us to achieve strong growth and consistent financial performance. Additionally, we have built a strong management team with significant experience in the steel manufacturing sector and some of them have been associated with our Company since our formative years. Our management and operational team comprises members with diverse skills and expertise in manufacturing, sales and marketing, finance, research and development and supply chain management in the steel industry. As on March 31, 2019, our sales and marketing team comprises of 497 employees. Our management team comprises professionals with deep experience in the domains of our customers. For further details of our management, see "*Our Management*" beginning on page 147.

Our Board and senior management team are also supported by a workforce of 5,704 personnel, including 3,063 permanent employees and 2,641 contractual employees as on March 31, 2019. Our organization is driven by a strong in-house market research team, multi-product steel organization and management practices.

Our Strategies

Continue to focus on expansion of Retail Customer base

We will continue to focus on our Retail Customers through higher penetration in the regions where we are already operating and expand our reach and access to Retail Customers in other regions of the country primarily northern and southern regions. To further strengthen our network, we will continue to expand our distribution network and our marketing teams.

In the Indian TMT market, we are one of the leading premium branded TMT Rebar players in India having integrated steel plants and a strong brand identity and recall amongst end customers (source: CRISIL Report). We will continue to invest in our primary strength of our well established brand and track record to create awareness amongst prospective Retail Customers. We have already taken various initiatives for building our brand such as engaging well known celebrities for promoting our brand and regular advertisements through various mediums, organizing various advertisement campaigns and we will continue to undertake such initiatives to create, promote and spread our brand awareness. We have also adopted strategies such as dealer point branding, above-the-line branding and below-the-line branding to ensure maximum visibility and awareness. Our marketing expenditure in building our brand SHYAM has increased significantly over the years.

We believe that our key differentiators in the retail segment are our established track record of delivering quality TMT Rebar, strong brand identity, a well-established dealer and distribution network and Retail CRM. Due to our deep and consistent focus on Retail Customers, increasing brand and quality awareness, and a strong Retail CRM, the number of dealers has steadily increased from 754 in Fiscal 2016 to 1,148 in Fiscal 2017 to 1,524 in Fiscal 2018 to 1,762 in Fiscal 2019. We will continue to strengthen our Retail CRM and expand our dealer distribution network to increase our reach and access to new customers and ensure strong connect with existing customers to achieve higher customer retention and satisfaction.

Continue to expand our Institutional Customer base by being an approved supplier of quality TMT Rebar from more number of government entities

In the institutional space, our Company is one of the few approved suppliers for key government departments such as NHAI, state governments, military engineering services and Indian Railways amongst others (source: CRISIL Report). We will continue to build further on this reputation by continuing to supply branded and quality TMT Rebar for the government projects and endeavour to become approved suppliers for other government entities and upcoming projects.

We propose to further increase our Institutional Customer base by supplying quality TMT Rebar to small and medium enterprises and other regional and state level contractors under government projects where typically the credit cycle is favourable to our business operations, helping de-risk our business.

Whilst we cater to our Institutional Customers across the country, we will continue to focus on our ability to service customers in any region by establishing robust networks. We will use our strong customer database to ensure that we are considered as a preferred supplier on a consistent basis by Institutional Customers in all regions. We endeavour to provide customized cuts to our Institutional Customers along to meet their requirements. We will continue to offer increased number of customization choices to our Institutional Customers. Through investment in technology, we endeavour to provide the best suited quality TMT Rebar with features such as cut to length and bending.

Continue to focus on backward integration and organic and selective inorganic expansion

We believe that strategic backward integration of our operations and selective inorganic expansion has been a critical factor for our strong and consistent growth in the past. The combination of our domain expertise and our experience with acquisitions, enables us to better evaluate strategic acquisition opportunities.

As part of our long term strategy of organic expansion and integrated operation, we have, in the last five Fiscals, undertaken expansion in production capacities of sponge iron, SMS and rolling mill at our Steel Manufacturing Plants. For instance, during the Fiscal 2019, we had undertaken the rolling mill expansion of 30,000 MTPA at our Gopalpur Plant and set up a rolling mill with installed capacity of 200,000 MTPA at our Mejia Plant. We have proven track record for timely completion of our capacity expansions. We believe that the expansion of our capacities will result in further integration of our Steel Manufacturing Plants, increase productivity, augmentation of our revenues, reduction in production costs and consequent increase in profitability. We will continue to focus on such expansion of our Steel Manufacturing Plants to enhance our installed and production capacities of sponge iron, SMS, captive power plant and rolling mill.

The Ministry of Environment Forest & Climate Change, Government of India ("**MOEF**"), vide its memo dated May 24, 2019, has issued environmental clearance for our plan for expansion of installed iron and steel capacity of Mejia Plant up to 1,401,900 MTPA, with captive power plant of 51 MW. Our Company intends to expand the existing installed steel manufacturing capacity at the Mejia Plant from 630,200 MTPA to approximately 1,339,700 MTPA and captive power plant from 15 MW to 51 MW and intends to adopt the following expansion plan, subject to receipt of necessary approvals and compliance of terms and conditions therein, project assessment, feasibility and funding, in respect of such proposed expansion:

Steel Manufacturing Plant	Location	Existing installed capacity (MTPA)	Proposed additional capacity (MTPA)	Total capacity post proposed expansion (MTPA)
Angadpur Plant	Durgapur	594,840*	-	594,840
Gopalpur Plant	Durgapur	311,616**	-	311,616
Barjora Plant	Bankura	48,000***	-	48,000
Mejia Plant	Bankura	630,200****	709,500^	1,339,700
TOTAL	**-**	**1,584,656**	**709,500**	**2,294,156**

* *aggregate capacity of the DRI Unit, SMS and rolling mill, excluding the capacity installed for 10MW captive power plant.*

** *aggregate capacity of SMS, rolling mill excluding allied products such as wire mill, nail, stirrups and ribbed bar.*

*** *aggregate capacity of rolling mill.*

**** *aggregate capacity of DRI Unit, SMS, ferro alloy plant and rolling mill, excluding the capacity installed for 15MW captive power plant.*

^ *aggregate proposed additional capacity of DRI Unit, SMS and rolling mill, excluding proposed additional capacity of 36 MW captive power plant.*

Pursuant to such expansion, our aggregate iron and steel production capacity will increase from 1,584,656 MTPA to 2,294,156 MTPA and captive power plant from 25 MW to 61 MW. We believe the expansion of our capacities will result in further integration of the Mejia Plant, increase productivity, augmentation of our revenues, reduction in production cost and consequent increase in profitability.

We procure iron ore on spot basis, while with respect to coal, we will continue to enter into coal-linkage or coal purchase agreements to meet our requirements. Depending upon government policy, if the opportunities arise, we propose to become increasingly self-sufficient in procurement of iron ore and coal, through participating in the auctions of iron ore and coal mines. We will also continue to review, upgrade and assess new technologies in an effort to extract additional economies of scale which improve yields and reduce fixed costs.

With track record of successful acquisitions, our internal teams have experience and expertise in complex acquisitions which can be leveraged in evaluating future acquisition opportunities and executing them in an efficient and timely manner. Additionally, we believe the extensive experience of our Promoters will help us evaluate future acquisition opportunities better. If we pursue any acquisition opportunities in future, we believe our robust balance sheet can potentially enable us to avail internal and external funding options, which will enhance our ability to submit competitive bids.

We will continue to explore opportunistic acquisitions, joint ventures, consortium and partnerships that can provide access to technology, capacity, iron ore and other minerals. For instance, currently, companies, especially the steel manufacturing companies are undergoing corporate insolvency resolutions under the IBC Regime. Acquisition opportunities under the IBC Regime involves, among others, identification of the asset, providing growth opportunities and estimating the optimum value for the assets proposed to be acquired. We may evaluate the target assets and estimate the optimum value for such assets based on, *inter alia*, publicly available information, information provided to us under the bidding process and our deep domain knowledge of the steel industry. If we are successful in the IBC Regime, we may finance the acquisitions by internal accruals, or additional capital raised as debt or equity or any other form. We intend to expand our finished production capacity of quality TMT Rebar by acquisition of existing financially stressed steel manufacturing plants which will help us to penetrate into new regions and help us establish our brand pan-India. To diversify our business portfolio, we will continue to explore new markets and other businesses. For instance, we have been recently awarded three projects involving construction of sub-station and transmission lines on turnkey basis by the Madhya Pradesh Power Transmission Company Limited through our separate joint venture with Siddhartha Engineering, Bhubaneshwar and consortiums formed with EMC Limited in which we are the lead partner. The aggregate contract value of the three construction projects awarded to us in the electricity transmission and distribution segment is ₹ 2,606.50 million.

Continue to focus on improvising the manufacturing process and capabilities

We will continuously seek to attain operational efficiency in the manufacturing process by having a control on production, ensuring premium quality of our products and consistent upgradation in our technology and upliftment and involvement of our team. The quality management system adopted by us at the Angadpur Plant and Mejia Plant are in compliance with the requirements of ISO 9001:2015 standard. Further, our laboratory set up at the Angadpur Plant has been accredited by the National Accreditation Board for Testing and Calibration Laboratories ("**NABL**") and is in accordance with ISO/IEC 17025:2005 to ensure that our products comply with the standard testing and inspection procedure. Our Company is one of the few steel companies to have NABL accredited laboratory for TMT Rebar testing (source: CRISIL Report).

We have over time, improved our technology by improvising on various aspects of the manufacturing methods including material handling, quality enhancement, inventory management, reducing wastage and loss and implementing efficient software to improve operational efficiency. For instance, at the Angadpur Plant and Mejia Plant, our continuous casting machine is installed in collaboration with Concast-AG-Zurich and Concast India Limited, respectively, and the quenching system in the rolling mill at the Angadpur Plant, the Barjora Plant and the Mejia Plant has been set up in collaboration with HSE Germany. With an aim to reduce our cost of production we intend to reduce our cost of labour, cost of raw materials, minimize wastage, reduce utility resources and productivity improvement by conducting continuous analysis, standardization, surveys and regular audits

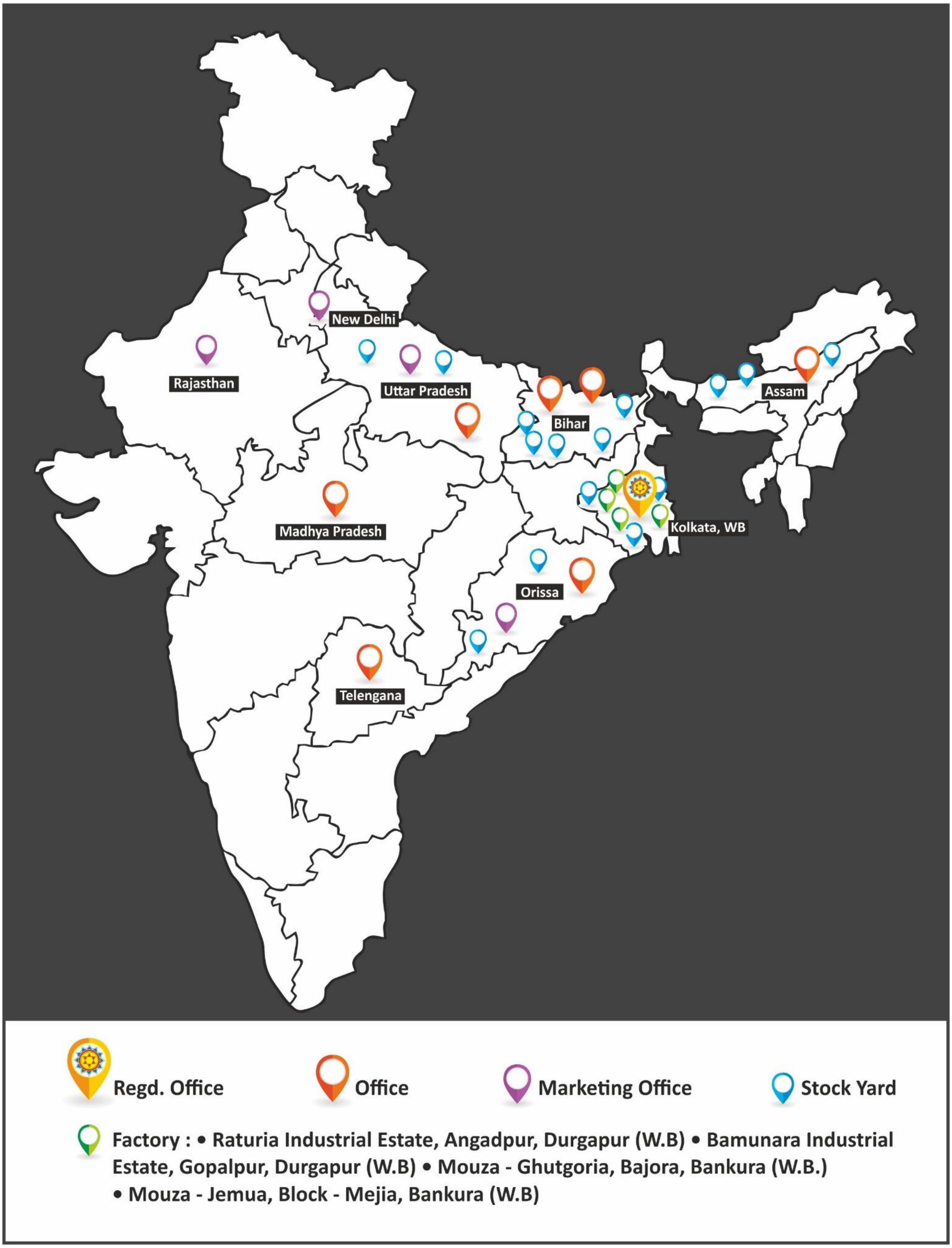
For improving the quality of our products, we have adopted a quality management system. Our products pass through four stages of quality management which are inspection, control, assurance and total quality management. With an intention to serve our customers in the most efficient manner, we establish objectives and processes necessary to deliver results in line with our customer's requirements. We continuously monitor the complete process and ensure compliance of the processes against the policies framed. With an aim to achieve economies of scale and attain operational efficiency, we will aim to reduce the cost of production by achieving technological advancements in the manufacturing process and efficient quality management.

Continue to maintain strong financial performance and low leverage

We continuously seek to improve our financial profile and maintain a focus on cost management. We have, over time, developed robust financial principles and business considerations, focusing on reducing our working capital (receivables and inventory) requirement, interest cost reduction and boosting our aforementioned strategy of maximizing output by expanding our production capacity. Our current CRISIL ratings reflect our group's strong business risk profile marked by its dominant position amongst the integrated steel manufacturers in the India and its strong brand recall (source: CRISIL Report). We aim to undertake expansion of production capacities while being prudent towards capital allocation in order to deliver consistent RoCE. We will endeavour to maintain low leverage throughout the entire process and fund growth through careful planning and from internal accruals. For details on comparative financial performance of our Company with other industry players, see "*Industry Overview- Competitive landscape*" beginning on page 113.

Business description

The following map illustrates the locations of our Steel Manufacturing Plants, branch offices and stock yards located across India:



Our Steel Manufacturing Plants

Our business is operated through our Steel Manufacturing Plants located at Durgapur and Bankura and as on March 31, 2019 the aggregate installed iron and steel production capacity of our Steel Manufacturing Plants is 1,584,656 MTPA, including an installed TMT Rebar production capacity of 641,960 MTPA. We produce a wide range of steel products, including intermediate products such as ferro alloys, billets and sponge iron and final products such as TMT Rebar (sold under the SHYAM brand – one of the premium branded TMT Rebar players in India enjoying a strong brand identity and recall amongst end customers (source: CRISIL Report)). Our products are used in a wide variety of applications in heavy load industry structures, such as flyovers, dams, bridges and other critical structures.

Details of our Steel Manufacturing Plants are as follows:

Steel Manufacturing Plant	Location	Installed capacity as of March 31, 2019 (MTPA)	Utilisation capacity (MTPA) as of March 31, 2019 #	Utilisation capacity (MTPA) for Fiscal 2018	Utilisation capacity (MTPA) for Fiscal 2017	Utilisation capacity (MTPA) for Fiscal 2016
Angadpur Plant*	Durgapur	594,840	527,250	512,525	450,589	343,953
Gopalpur Plant**	Durgapur	311,616	223,272	247,908	237,729	210,429
Barjora Plant***	Bankura	48,000	62,784	43,527	-	-
Mejia Plant ****	Bankura	630,200	531,348	391,077	333,228	180, 056
Total	**-**	**1,584,656**	**1,344,654**	**1,195,037**	**1,021,546**	**734,438**

* *aggregate capacity of the DRI Unit, SMS and rolling mill, excluding the capacity installed for 10MW captive power plant.*

** *aggregate capacity of SMS, rolling mill excluding allied products such as wire mill, nail, stirrups and ribbed bar.*

*** *aggregate capacity of rolling mill.*

**** *aggregate capacity of DRI Unit, SMS, ferro alloy plant and rolling mill, excluding the capacity installed for 15MW captive power plant.*

\# *As on March 31, 2019, the aggregate iron and steel making (excluding allied products such as wire mill, nail, stirrups and ribbed bar) utilisation capacity of our Steel Manufacturing Plants was 94%, which included TMT Rebar utilization capacity of 83%.*

Details of our production and utilisation capacity of the rolling mill at the Steel Manufacturing Plants is as follows:

Steel Manufacturing Plant	Location	Installed capacity of the rolling mill as of March 31, 2019 (MTPA)	Utilisation capacity (MTPA) for Fiscal 2018##	Utilisation capacity (MTPA) as of March 31, 2019###
Angadpur Plant	Durgapur	242,160	215,891	211,009
Gopalpur Plant	Durgapur	151,800*	114,586	78,608
Barjora Plant	Bankura	48,000	43,527	62,784
Mejia Plant	Bankura	200,000**	-	102,890
Total	**-**	**641,960**	**374,004**	**455,291**

* *Rolling mill expansion of 30,000 MTPA was done in Fiscal 2019.*

** *Rolling mill was set-up at Mejia Plant in Fiscal 2019.*

\### *As on March 31, 2019, the aggregate utilization capacity of our rolling mill was 83%. Though the rolling mill at the Mejia Plant (200,000 MTPA) commercially started in May, 2018, considering stabilisation effect, actual effective run has been considered from August, 2018. Hence, utilisation has been considered for eight months till March, 2019. However, on an overall basis, (all Steel Manufacturing Plants) the TMT Rebar production has risen from Fiscal 2018 to Fiscal 2019.*

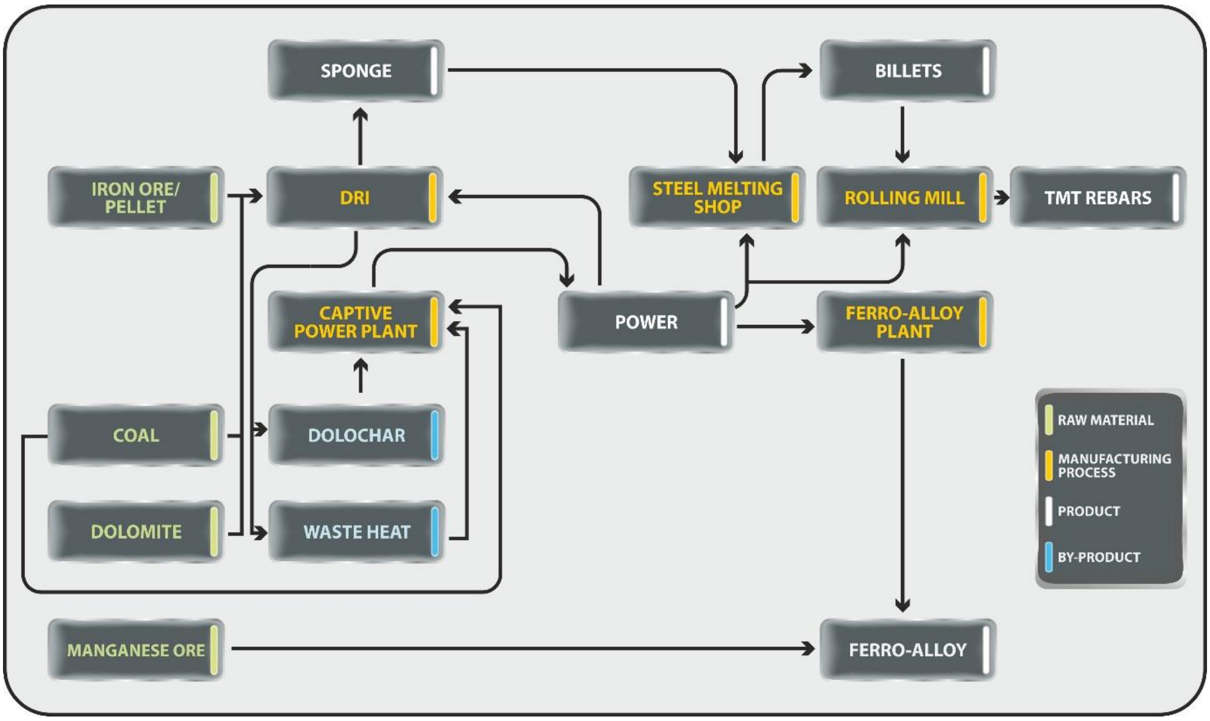
Details of the sale of TMT Rebar and allied products during the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 are as follows:

(*in ₹ million*)

Segment	For the nine months period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Institutional	6,352.67	6,787.98	5,558.51	4,084.14
Retail	8,674.47	8,594.26	4,986.87	4,118.77

Manufacturing Process

The following chart provides details on the manufacturing process undertaken at our Steel Manufacturing Plants:



The integrated steel value production chain comprises of a DRI Unit, SMS, a rolling mill and a ferro alloy plant. The DRI Unit produces sponge iron by reducing iron ore using the rotary kiln, which is then cooled and separated from dolochar. The SMS uses the oxidation process to melt the sponge iron into molten steel which is then tapped into a ladle and taken through the continuous casting machine. The liquid steel flows from the ladle into the tundish and a water cooled mould of different sizes, forming billets of different sizes. The billets manufactured are rolled into specific sections in the rolling mill unit. The quenching system in the rolling mill at the Angadpur Plant, the Barjora Plant and the Mejia Plant has been set up in collaboration with HSE Germany. The rebars are then guided through the specially designed thermex pipes for the production of quality TMT Rebar.

We also operate two captive power plants at our Steel Manufacturing Plants located at Angadpur and Mejia, having a capacity of 10 MW and 15 MW, respectively, which utilize heat and dolochar generated by the DRI Unit to generate electricity. Any shortfall in the electricity requirements at the Steel Manufacturing Plants is met with a continuous power supply from Damodar Valley Corporation. We have also entered into water supply agreements with the respective state controlled entities for continuous supply of water at our Steel Manufacturing Plants.

Products

We are principally engaged in the production of quality TMT Rebar, a finished product. We produce a range of quality TMT Rebar including CRS TMT Rebars and TMT Rebars Fe 500D in different sizes and ranging from 8 mm to 36 mm. TMT Rebars Fe 500D is a special grade of TMT Rebars that have increased strength and are used in heavy load reinforced cement concrete structures such as flyovers, dams and bridges where high yield load is required with no compromise on ductility. The TMT Rebar manufactured by our Company have been licensed by the Bureau of Indian Standards and are of IS:1786:2008 standard.

We also produce a range of intermediate products that are used as raw materials for production of quality TMT Rebar, as described below:

a) Billets: we manufacture two types of billets i.e. M.S. billets and low alloy steel billets (CRS billets). While M.S billets are used for rolling of TMT Rebar and other structural steel products, low alloy steel billets are used for manufacturing CRS TMT Rebar. We also sell billets on opportunistic basis; and

b) Sponge iron: The DRI Unit set up at the Steel Manufacturing Plants produces sponge iron that are used by the SMS for producing billets.

Sales, Distribution and Marketing

Our product range is supported by a diverse sales and distribution network throughout India. As on March 31, 2019, in the retail segment, we distribute our products in the domestic market by selling them through our distribution network comprising of over 50 distributors and 1,762 dealers, whereas in the institutional segment we sell directly to our Institutional Customers. We also sell our products directly to our dealers in the retail segment. The number of dealers has steadily increased over the years from 754 in Fiscal 2016 to 1,148 in Fiscal 2017 to 1,524 in Fiscal 2018 to 1,762 in Fiscal 2019. We typically enter into distributorship agreements with our distributors for supply of our products to end customers. We have a pan-India distribution network catering to our Institutional Customers.

Our marketing and sales team, through Retail CRM and Institutional CRM track market trends which enables us to position our strategy appropriately in terms of location and price points, and create a cohesive marketing strategy designed to secure and build brand value and awareness. As on March 31, 2019, our workforce comprises of 5,704 personnel, including 3,063 permanent employees and 2,641 contractual employees.

Our Steel Manufacturing Plants enjoy a locational advantage and are well connected through road, rail and ports which provide us operational and time efficiencies. The Steel Manufacturing Plants are located at proximity to the port in Haldia and are well connected to the railway sidings and national highways, which enables the transportation of the raw materials at an efficient and cheap price and supply our products to the distributors and dealers in a time efficient manner. Additionally, our Steel Manufacturing Plants are located in West Bengal which places them in proximity to iron ore mines in Jharkhand and Odisha. Our Steel Manufacturing Plants located in West Bengal, in the Eastern region of India which is a steel industry hub. The Steel Manufacturing Plants are located at a distance (road) of 150-200 km from the riverine port of Kolkata. This proximity to the port reduces last mile lead distance in case of inbound logistics of raw materials by sea. (source: CRISIL Report).

Our finished products i.e. quality TMT Rebar are sold under the brand SHYAM. To ensure maximum outreach and recognition, we have entered into an endorsement agreement with Virat Kohli and Anushka Sharma.

Our Subsidiaries

Our Company has four Subsidiaries namely, Shyamsteel Energy Private Limited, SSML, Shyam Mining Private Limited and Vaikuntha Tradecom Private Limited. For further details in relation to nature of business of each of our subsidiaries, see "*Our Subsidiaries*" beginning on page 144.

Acquisitions

As part of our diversification strategy and to meet our future growth requirements, we have undertaken business acquisitions in the past by acquiring/ making investments in other steel manufacturing companies including:

Acquisition of Shreegopal Hi-tech Private Limited

We along with our Promoters, Shyam Sundar Beriwal, Bright Horizon Impex Private Limited and Adarsh Tie Up Private Limited, acquired 100 % issued and paid up share capital of Shreegopal Hi-Tech through a share purchase agreement dated June 12, 2007. Pursuant to the scheme of amalgamation, as approved by the Calcutta High Court, by an order dated January 16, 2008, Shreegopal Hi-Tech stood dissolved without winding up, and all interests, rights and liabilities in Shreegopal Hi-Tech stood transferred to our Company.

Acquisition of Shyam Steel Manufacturing Limited

Our Company through our wholly owned subsidiary, Shyamsteel Energy Private Limited acquired SSML (i) by entering into a Share Subscription Agreement dated January 8, 2011, wherein Shyamsteel Energy Limited acquired 75.56% of the equity share capital of SSML; and (ii) by entering into Share Purchase Agreement dated January 10, 2011 and the terms of settlement dated August 16, 2014 and May 3, 2017, wherein Vanlila Consultants Private Limited and Yashashvi Securities Private Limited, shareholders of our Company acquired an aggregate of 24.44% of the equity share capital of SSML, which was subsequently transferred to Shyamsteel Energy Private Limited.

Our Customers

We cater to Retail Customers as well as various Institutional Customers involved in various segments such as public sector undertakings, various government entities, nuclear plant, thermal and hydel power, railways, metro rails, sea ports, refinery plants. In the retail segment, we distribute our products in the domestic market by selling through the distribution network comprising of distributors and dealers, whereas in the institutional segment we sell directly to our Institutional Customers. As of March 31, 2019, we supplied our products to 2,913 customers in India, located primarily across north, north east and eastern regions.

In the past, we have supplied steel for major projects such as, Haldia refinery, Badarpur flyover, Panipat refinery, Delhi metro rail, Bangalore metro rail, Koshi Bridge, Rawatbhata, Rajasthan (Nuclear project), MES Airforce, Sagardighi Thermal power project, Paradip refinery and Kakinda onshore terminal project. The details of segment wise sales of TMT Rebar and allied products by us in the last three Fiscals and for the nine months period ended December 31, 2018 are as follows:

Segment	Segment wise sales (in %)			
	For the nine months period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Retail	57.72	55.91	47.33	50.21
Institutional	42.28	44.09	52.67	49.79
Total	**100**	**100**	**100**	**100**

Procurement of raw materials

In addition to intermediate products, such as sponge iron, billets and ferro alloys manufactured by us, we procure our main raw materials i.e. iron ore, coal and pig iron from third party suppliers for production of our steel products. We procure iron ore and pig iron on spot basis. While we have long-term coal linkage agreements for procurement of coal, we also import coal from South Africa.

We operate two captive power plants at our Steel Manufacturing Plants located at Angadpur (Durgapur) and Mejia (Bankura), West Bengal having a capacity of 10 MW and 15 MW, respectively, which primarily utilises the heat and dolochar generated in the DRI Unit for generation of electricity. The power generated is being utilised by our DRI, SMS and the rolling mill units. Any shortfall in the electricity requirements at the Steel Manufacturing Plants is met with a continuous power supply from Damodar Valley Corporation. We have also entered into water supply agreements with the respective state controlled entities for continuous supply of water at our Steel Manufacturing Plants.

Quality Management

Our quality process is based on the principles of customer satisfaction, organizational performance by assigning responsibilities amongst Company personnel, manufacturing excellence, employee contentment and social responsibility. Our products pass through four stages of quality management which are inspection, control, assurance and total quality management. The quality policy adopted by us at the Angadpur Plant and Mejia Plant, is in compliance with the requirements of the ISO 9001:2015 standard. The TMT Rebar manufactured by our Company have been licensed by the Bureau of Indian Standards and are of IS:1786:2008 standard. The laboratory set up at the Angadpur Plant has been accredited by NABL and is in accordance with ISO/IEC 17025:2005 standard. Our Company is one of the few steel companies to have NABL accredited laboratory for TMT Rebar testing (source: CRISIL Report).

With an aim to serve our customers better and in accordance with the quality policy adopted by us, we ensure that:

(a) the needs and expectations of our customers are satisfied by provision of quality products;

(b) we maintain a robust sales and distribution network for timely supply of our products;

(c) our practises are in compliance with applicable laws;

(d) the products are in accordance with the product specifications; and

(e) we constantly improvise our production processes.

Employees

We have developed a pool of skilled and experienced workforce over the past years and continue to invest in building our talent pool. As on March 31, 2019, we had a workforce of 5,704 personnel which comprised 3,063 permanent employees and 2,641 contractual employees. As on March 31, 2019, sales and marketing team comprises of 497 employees. Our employees include personnel engaged in management, administration, human resource, engineering, sales and marketing, procurement, logistics and legal functions. We have structured training and development programmes to bring our employees to higher skill level.

Environment, Health and Safety

We have implemented measures to comply with applicable environmental, health and safety laws and regulations. We have established an environmental, occupational, health and safety management system at the Angadpur Plant that is in compliance with the requirements of ISO 14001:2015 and OHSAS 18001:2007 standards.

We conduct our operations in a safe, secure and environmentally sound manner. Conservation of natural resources by operating in a resource efficient manner, use of personal protective equipment's, training the employees to work in a safe manner by avoiding injuries, identifying new developments in the respective areas, reasonably foreseeing emergency situations, establishment of pollution control techniques, widespread implementation of the tree plantation programmes, execution of enviro-friendly initiatives are integral components of our operational module. We follow integrated management systems across our business setups.

Competition

The Indian steel manufacturing industry is largely catered to by a large number of steel producers based out of various regions. We compete against various industry players on the basis of our quality of products. The market for final products is competitive. Our primary competitors in relation to our final products include Steel Authority of India Limited, Tata Steel Limited, Rashtriya Ispat Nigam Limited, JSW Steel Limited and Jindal Steel and Power Limited. For further details, see "*Industry Overview- Competition landscape*" beginning on page 113.

Technology

The details of technology we use is set out below:

ERP: We have engaged SAP (ERP software) developed by SAP SE. It consists of a number of fully integrated modules, which covers aspects of the business management. We use ERP software in the areas like financial, sales and distribution, material management, production planning, quality management, project system, human resource and payroll. To maintain the trend of updated application for business, existing SAP ECC is being migrated to SAP S/4 HANA which will enable core application platform to be ready with future automations.

CRM: We use Retail CRM for *inter alia*, to maintain a centralized data bank of new and prospective dealers, distributors, customers and projects, ascertain prospective demand of our products in different regions and for a quick redressal of our customer, dealer and distributor grievances and feedback and track the on-field movement of our marketing salesforce. In the institutional segment, we use Institutional CRM to track the timeline of a government project from the announcement of such project until its completion and follow-up with the contractors who have been awarded the infrastructure project in order to assess demand of quality TMT Rebar. We have also engaged SAP (ERP software) services on license basis from SAP India Private Limited. The ERP software helps in integration of all our business processes including accounting, sales, production, human resources and finance in an integrated environment.

Infrastructure: Amazon Web Services (AWS) is a comprehensive, evolving cloud computing platform provided by Amazon, which is being used by us. It provides a mix of infrastructure as a service (IaaS), platform as a service (PaaS) and packaged software as a service (SaaS) offerings.

Mailing Solution: We intend to shift from our current G-Suite mail solutions to Microsoft Office 365 Cloud Solutions. Microsoft Office 365 is Software as a Service (SaaS) solution that includes Microsoft Office and other services, such as email and collaboration, from Microsoft's cloud server.

Intellectual property rights

We own intellectual property in the form of copyrights and trademarks. Our products are marketed under the brand name of SHYAM, which has been adopted and used since 1994, and for which our Company has a trademark registration under the Trademarks Act, 1999. We also own certain other trademarks and copyrights that have been registered under the Trademarks Act, 1999 and Copyright Act, 1957 respectively.

Insurance

We maintain a comprehensive list of insurance policies, which are renewed from time to time. Our operations are subject to risks inherent in the manufacturing industry, such as work accidents, fire, earthquake and other force majeure events and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment damage. We currently maintain a range of insurance coverage on our property and plants, fixed assets, transportation vehicles and certain other assets that are considered to be subject to significant operating risks.

Awards and Recognitions

We have won awards which exhibit our competence and quality standards in the steel manufacturing industry. For details in relation awards and recognitions awarded to our Company see "*History and Certain Corporate Matters*" on page 141.

Corporate Social Responsibility

We believe that sustainable community development is essential for harmonious development of both the community and our industry. We endeavour to make a positive contribution, especially to underprivileged communities by supporting a range of socio-economic, educational and health initiatives by adopting a need profile analysis and implementing sustainable social development projects. We spent ₹ 12.98 million and ₹ 7.58 million, respectively, in Fiscals 2018 and 2017 towards corporate social responsibility expenses ("**CSR**"). While we have set-up Shyam Steel Foundation Trust for conducting our CSR activities in a planned manner, we have also made contributions in the past to Beriwala Seva Trust as part of our CSR intiatives. Some of the key CSR initiatives undertaken by us include:

(a) providing eco-efficient work environment by providing safe drinking water supplies and sanitation facilities at workplace;

(b) providing educational scholarship programs (through charitable organizations like Paschim Bangiya Marwari Sammelan Shiksha Kosh, Ramakrishna Mission, Narendrapur);

(c) providing mass education, skill development by participating in development work schools in Howrah, Kolaghat High Scool, Salt Lake Shiksha Sadan along with provision of hostel facilities for PR Murmu Memorial School, Bilpara (Durgapur);

(d) providing safe work environment, social and gender equality, and promoting women empowerment at workplace and community;

(e) providing healthcare facilities, community health outreach services including health camps for underprivileged across West Bengal, blood donation camps at our steel manufacturing plant at Mejia;

(f) engaging in tribal development through organizations working in India's rural areas; and

(g) providing knowledge and facilities in respect of women health and safety.

Properties

We own certain properties and have leased or licensed properties, for operating our manufacturing plants, offices, warehouses, go-downs and branches. Our Registered Office and Corporate Office has been obtained on lease for a period of three years and is valid till March 31, 2021. Our Steel Manufacturing Plants are situated in West Bengal, details of which are set out below:

Sr. No.	Particulars	Manufacturing unit	Land
1.	Angadpur Plant	Owned	Long term lease
2.	Mejia Plant	Owned	Partly owned and partly long term leased
3.	Gopalpur Plant	Owned	Owned
4.	Barjora Plant	Licensed	Licensed

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain sector specific key laws, regulations and policies, as prescribed by the GoI and other regulatory and statutory bodies that are applicable to our Company and Subsidiaries. Taxation statutes such as the Income Tax Act, 1961 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any Indian company.

The information in this section has been obtained from various legislations, including rules, regulations and policies promulgated by regulatory and statutory bodies, which are available in the public domain. The description of laws, regulations and policies set out below is not exhaustive and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Key Acts, Regulations and Policies governing our Company and Subsidiaries

National Steel Policy, 2017 ("NSP 2017")

The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to create an environment for attaining self-sufficiency in steel production by providing policy support and guidance to private manufacturers. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, *inter alia*, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boilers Regulations")

The Boilers Act provides for *inter alia* the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for penalties for illegal use of boilers. The Boilers Regulations provide for *inter alia*, standard requirements with respect to material, construction, safety and testing of boilers.

Legal Metrology Act, 2009 ("LM Act")

The LM Act aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Other Applicable Laws

Labour Laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/ or employees of our Company.

Industrial Disputes Act, 1947 (the "Industrial Disputes Act") and Industrial Dispute (Central) Rules, 1957 (the "Industrial Dispute Rules")

Industrial Disputes Act provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit and declare strikes and lock-outs as illegal and provisions relating to lay-off and retrenchment and closure. Conciliation and adjudication of industrial disputes by the conciliation officers, a board of conciliation, courts of inquiry, labour courts, industrial tribunals and a national industrial tribunal.

The Factories Act, 1948 (the "Factories Act")

The Factories Act provides for a healthy working environment for the workers/ labourers. The Factories Act regulates occupational safety, health and welfare of workers of the industries, in which 10 or more workers are employed on any day of the preceding 12 months and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. This legislation is being enforced by the Government through officers appointed under the Factories Act i.e. Inspectors of Factories, Deputy Chief Inspectors etc. who work under the control of the Chief Inspector of Factories and overall control of the Labour

Commissioner. The ambit of the Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as Industrial Employment (Standing Orders) Act, 1946, Minimum Wages Act, 1948, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Maternity Benefit Act, 1961, Equal Remuneration Act, 1979 and Contract Labour (Regulation and Abolition) Act, 1970.

Shops and establishments legislations in various states

The provisions of various Shops and establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations, *inter alia,* in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Environmental Regulations

Environmental related laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 were enacted to protect and improve the environment quality, control and reduce pollution and to regulate. Further, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 regulate the collection, reception, treatment and storage of hazardous waste and the West Bengal Ground Water Resources (Management, Control and Regulation) Act, 2005 was enacted to regulate and control the indiscriminate extraction of ground water.

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder and other applicable laws and regulations imposed by the central and state government and other authorities for day to day business, operations and administration of our Company and Subsidiaries.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Shyam Shree Steels Limited on March 8, 2002 at Kolkata, West Bengal as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Our Company received the certificate of commencement of business on March 22, 2002 from the RoC. Subsequently, the name of our Company was changed to Shyam Steel Industries Limited and a fresh certificate of incorporation consequent on change of name was granted by the RoC on December 18, 2003.

Changes in Registered Office

Except as disclosed below, there has been no change in the Registered Office of our Company since the date of incorporation:

Date of change of registered office	Details of change in the Registered Office	Reasons for change in the Registered Office
November 7, 2007	The registered office of our Company was shifted from White Tower, 115, College Street, Kolkata 700 012 to Shyam Tower, EN-32, Sector-V, Salt Lake City, Kolkata 700 091	Administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *To carry on all or any of the business of manufacturers, processors, commission agents, importers, exporters of and dealers in all kinds of ferrous and non-ferrous materials meant for any industrial or non-industrial use whatsoever and to carry on the business in iron and steel making, stainless steel, hot metals & pig iron produced through blast furnace, cold or hot rolling, re-rolling, slitting, edge-milling, sheeting, stamping, pressing, extruding, forging, gas cutting, drawing, flattering, straightening heat treatment of all kinds of steel and other metals or any other kind of strips, sheets, foils, tapes, high tension wires, rods, plates and any other sections, shapes or forms.*

2. *To set up sponge Iron plant, Induction furnace, blast furnace, sinter plant, continuous castings & rolling mill plant, captive power plant from waste or sponge Iron unit for producing sponge Iron, steel and alloy steel ingots, steel and alloy steel billets and all kinds and sizes of re-rolled sections i.e. flats, angles, rounds, squares, hexagons, octagons, rails, joists, channels steel strips, sheets, plates, deformed bars, plain and cold twisted bars, TMT bars, bright bars, shaftings and steel structurals.*

3. *To carry on business of all or any kind of iron and steel founders, steel melters, steel makers, steel shapers, and manufactures, mechanical engineers and fabricators, contractors, tool makers, brass founders, metal workers, manufactures of steel, metal and malleable grey, casting including ferrous, non-ferrous, special and alloy steel, spring steel, forging quality steel manufactures processors of all types of forged components and accessories, alloys, nuts, bolts, steel rounds nails, tools, all types of hardware items, plate makers, wire drawers, tube manufactures, galvanisers, japaners, re-rollers, annealors, enamellers, and electroplaters and to buy, take on lease or hire, sell, import, export, manufacture, process, repair, convert, let on hire, otherwise deal in such products, raw materials, by-products and allied commodities, machineries, rolling stock implements, tools, tensils, ground tools materials and conveniences of all kinds, and generally to carry on the said business in all or any of its branches.*

4. *To carry on the business of supervising, liasioning, lifting and handling of all mineral / material including coal, iron-ore and their transportation and to carry out all such allied businesses(s) and provide service(s) in connection therewith.*

5. *To generate, accumulate, distribute, transform, convert, transmit, process, develop, store, procure, sell, carry, deal and supply renewable and/or non renewable energy including electricity for the purpose of light, heat motive power and for all other purpose for which electrical energy can be employed and any such products and by products derived from such business including without limitation, stream, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including without limitation to conventional sources such as heat, thermal, hydel and /or from non-conventional sources such as tidal ware, wind, solar, geothermal, biological, biogas and coal bed methane and to manufacture and deal in all apparatus and things required for or capable of being used in connection with generation, distribution, supply, accumulation and employment of electricity including hydro electricity, solar power or electricity from mineral and wind power and to execute Turnkey Projects on EPC basis mainly EHV sub-stations, Transmission line, RMU distribution network etc.*

6. *To acquire and takeover of all or any of the assets and liabilities of such other Company, body corporate, organisation or such person, the acquisition or takeover of which shall be in any manner calculated to advance directly or indirectly*

the objects or interests of this Company or otherwise, or to diversify its current line of business, or to add as an additional line of business or otherwise.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last ten years:

Date of Shareholder's resolution/ Effective date	Particulars
March 15, 2019	Clause III (A) of the Memorandum of Association was inserted to reflect changes to the main objects clause. For further details, see "*History and Certain Corporate Matters – Main objects of our Company*". Clause V of the Memorandum of Association was amended to reflect reclassification of the existing authorised share capital of the Company from ₹ 100,000,000 divided into 8,000,000 Equity Shares of ₹ 10 each and 2,000,000 Preference Shares of ₹ 10 each to ₹ 100,000,000 divided into 10,000,000 Equity shares of ₹ 10 each. Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 100,000,000 comprising 10,000,000 Equity Shares of face value of ₹ 10 each to ₹ 700,000,000 comprising 70,000,000 Equity Shares of face value of ₹ 10 each.
April 30, 2014	Clause III (A) (4) of the Memorandum of Association was inserted to reflect changes to the main objects clause. For further details, see "*History and Certain Corporate Matters – Main objects of our Company-4*".
September 10, 2013	Clause III (A) (1) of the Memorandum of Association which read as "*To carry on all or any of the business of manufacturers, processors, importers, exporters of and dealers in all kinds of ferrous and non-ferrous materials meant for any industrial or non-industrial use whatsoever and to carry on the business in iron and steel making, stainless steel, hot metals & pig iron produced through blast furnace, cold or hot rolling, re-rolling, slitting, edge-milling, sheeting, stamping, pressing, extruding, forging, gas cutting, drawing, flattering, straightening heat treatment of all kinds of steel and other metals or any other kind of strips, sheets, foils, lapes, high tension wires, rods, plates and any other sections, shapes or forms.*" was replaced with the existing clause. For further details, see "*History and Certain Corporate Matters – Main objects of our Company*". Further, Clause III (B) 51 of the other objects clause of the Memorandum of Association which read as "*To carry on the act of dealing in all kinds of instrument including trading in future and option, derivative, commodity listed or permitted for trading in any recognized stock exchange incorporated in India or outside India*" and Clause III (B) 52 of the other objects clause of the Memorandum of Association which read as "*To act as adviser and financial agent for companies in obtaining loan from other financial institution, sydincated loans, export credits, leases and projects finances, both domestically and internationally*" were added to the Clause III of the objects clause.
March 30, 2012	Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 70,000,000 comprising 5,000,000 Equity Shares of face value of ₹ 10 each and 2,000,000 Preference Shares of ₹ 10 each to ₹ 1,00,000,000 comprising 8,000,000 Equity Shares of face value of ₹ 10 each and 2,000,000 Preference Shares of ₹ 10 each.

Major events of our Company

Set out below are some of the key events in the history of our Company:

Year	Event
2017	Obtained a rolling mill and finished steel unit on lease at Barjora
2013	Sale of the manufacturing steel plant situated at Howrah

Year	Event
2011	Acquisition of Shyam Steel Manufacturing Limited, our Subsidiary
2008	Approval of the composite Scheme of Amalgamation of Adarsh Tie-Up Private Limited, Bright Horizon Impex Private Limited and Shreegopal Hi-Tech Private Limited with our Company, by the Calcutta High Court
2005	Takeover of M/s Shyam Steel Industries, a partnership firm along with expanded unit and office in Kolkata and branch offices in Bhubaneshwar, Delhi, Chennai and Raipur

Awards, accreditations, recognition and appreciation received by our Company

Set out below are some of the key awards, accreditations, recognition and appreciation received by our Company:

Year	Award/ Accreditation/ Recognition/ Appreciation
2019	Received Times Business Award, Kolkata for being trusted TMT Bar Manufacturer from East
2018	Received an award at the West Bengal Best Employer Brand Awards.
2017	Recognized by the Economic Times as one of '*The Enablers*' in the CSR Compendium and received certificate of appreciation for supporting corporate cycling championship sponsored by NASSCOM, Saltlake Sector V Stakeholders Association, WBC and ENOM Networks
2013	Certificate of accreditation issued by National Accreditiation Board for Testing and Calibration Laboratories and received an award from MES Builders Association of India for active participation in their annual day function
2011	Received award from Indian Health and Welfare Mission for cooperation in 2011 Ganga Sagar Mela
2010	Received certification for participation and support in World Innovation Summit & Expo
2008	Received appreciation at the national seminar on "*India's Hydro-Power Sector Strategy 2008-2020 – A Vision & Mission for Sustainable & Inclusive Growth*"
2007	Received OHSAS and ISO certification in respect of management system for Angadpur Plant

For details of accreditations, see "*Our Business*" beginning on page 124.

Details regarding material acquisitions in the last ten years

Our Company through our wholly owned subsidiary, Shyamsteel Energy Private Limited had acquired SSML (i) by entering into a Share Subscription Agreement dated January 8, 2011, wherein Shyamsteel Energy Limited acquired 75.56% of the equity share capital of SSML; and (ii) by entering into Share Purchase Agreement dated January 10, 2011 and the terms of settlement dated August 16, 2014 and May 3, 2017, wherein the Vanlila Consultants Private Limited and Yashashvi Securities Private Limited, shareholders of our Company, acquired an aggregate of 24.44% of the equity share capital of SSML, which was subsequently transferred to Shyamsteel Energy Private Limited.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has four Subsidiaries. For further details, see "*Our Subsidiaries*" beginning on page 144.

Details of guarantees given to third parties by our Promoters, offering their shares in the Offer for Sale

Details of guarantees given to third parties by our Promoters as on the date of this Draft Red Herring Prospectus are set out below. The guarantees issued by our Promoters to third parties are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our Company and SSML.

Sr. No.	Name of the Promoter	Lender	Type of facility	Amount (in ₹ million)
1.	Lalit Beriwala	State Bank of India ("**SBI**")	Working capital	205.40
		Axis Bank	Working capital	34.50
		SBI	Working capital	104.00
		SBI	Term loan	25.89
		Allahabad Bank	Working capital	51.00
		Allahabad Bank	Term loan	10.07
		Allahabad Bank	Term loan	4.80
		Allahabad Bank	Term loan	11.97
		Union Bank of India	Working capital	60.25
		Union Bank of India	Term loan	3.78

Sr. No.	Name of the Promoter	Lender	Type of facility	Amount (in ₹ million)
		Union Bank of India	Corporate term loan	2.04
2.	Govind Beriwal	SBI	Working capital	205.40
		Axis Bank	Working capital	34.50
		Allahabad Bank	Working capital	51.00
		Allahabad Bank	Term loan	10.07
		Allahabad Bank	Term loan	4.80
		Allahabad Bank	Term loan	11.97
		Union Bank of India	Working capital	60.25
		Union Bank of India	Term loan	3.78
		Union Bank of India	Corporate term loan	2.04
3.	Purushottam Beriwala	SBI	Working capital	205.40
		Axis Bank	Working capital	34.50
		Union Bank of India	Working capital	58.50
		SBI	Working capital	104.00
		SBI	Term loan	25.89
4.	Ravi Beriwala	SBI	Working capital	205.40
		Axis Bank	Working capital	34.50
		Union Bank of India	Working capital	58.50

The abovementioned guarantees are effective for a period till the underlying loan is repaid by the respective borrower. The financial implications in case of default by the borrowers would entitle the lenders to invoke the personal guarantee given by our Promoters to the extent of outstanding loan amount. For details of security provided by the borrowers, see, "*Financial Indebtedness - Principal terms of the borrowings availed by our Company and the Subsidiaries*" on pages 252-254.

OUR SUBSIDIARIES

As of the date of this Draft Red Herring Prospectus, our Company has the following four Subsidiaries:

(a) Shyamsteel Energy Private Limited;

(b) Shyam Steel Manufacturing Limited;

(c) Shyam Mining Private Limited; and

(d) Vaikuntha Tradecom Private Limited.

Details of our Subsidiaries

a) Shyamsteel Energy Private Limited

Shyamsteel Energy Private Limited was incorporated as a private company on October 18, 2010 at Kolkata under the Companies Act, 1956. The memorandum of association authorizes Shyamsteel Energy Private Limited and it is currently engaged into the business of, *inter alia*, an investment company.

Capital Structure:

Particulars	Number of equity shares of face value ₹10 each
Authorised capital	6,500,000
Issued, subscribed and paid-up capital	5,034,400

Shareholding

The following table sets forth details of the shareholding of our Company in Shyamsteel Energy Private Limited:

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of total equity holding (%)
1.	Shyam Steel Industries Limited	5,033,800	99.99
2.	Purushottam Beriwala *	100	Negligible
3.	Lalit Beriwala *	100	Negligible
4.	Ravi Beriwala*	100	Negligible
5.	Brijesh Beriwala*	100	Negligible
6.	Manish Beriwala*	100	Negligible
7.	Govind Beriwal*	100	Negligible
Total		**5,034,400**	**100**

* *Shares are held by these individuals as nominees Shyam Steel Industries Limited.*

b) Shyam Steel Manufacturing Limited

Shyam Steel Manufacturing Limited was originally incorporated as a private company on May 23, 1991 at Kolkata under the Companies Act, 1956 as S.M.D. Trading Company Private Limited and currently its name is Shyam Steel Manufacturing Limited. The memorandum of association authorizes Shyam Steel Manufacturing Limited and it is currently engaged into the business of, *inter alia*, manufacturing and trading of iron and steel materials.

Capital Structure:

Particulars	Number of equity shares of face value ₹ 10 each
Authorised capital	55,000,000
Issued, subscribed and paid-up capital	52,935,722

Shareholding

The following table sets forth details of the shareholding of our Company in Shyam Steel Manufacturing Limited through Shyamsteel Energy Private Limited:

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of total equity holding (%)
1.	Shyamsteel Energy Private Limited	52,935,122	99.99
2.	Manish Beriwala*	100	Negligible
3.	Brijesh Beriwala*	100	Negligible

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of total equity holding (%)
4.	Purushottam Beriwala*	100	Negligible
5.	Lalit Beriwala*	100	Negligible
6.	Govind Beriwal*	100	Negligible
7.	Ravi Beriwala*	100	Negligible
Total		**52,935,722**	**100**

* *Shares are held by these individuals as nominees of Shyamsteel Energy Private Limited.*

c) Shyam Mining Private Limited

Shyam Mining Private Limited was incorporated as a private company on January 8, 2015 at Kolkata under the Companies Act, 2013. The memorandum of association authorizes Shyam Mining Private Limited and it is currently engaged into the business of, *inter alia*, acquiring mining leases, licences, grants or concessions of coal mines from entities such as corporations, firms and government.

Capital Structure:

Particulars	Number of equity shares of face value ₹10 each
Authorised capital	250,000
Issued, subscribed and paid-up capital	210,000

Shareholding

The following table sets forth details of the shareholding of our Company in Shyam Mining Private Limited, including through Shyam Steel Manufacturing Limited:

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of total equity holding (%)
1.	Shyam Steel Manufacturing Limited	168,000	80
2.	Shyam Steel Industries Limited	42,000	20
Total		**210,000**	**100**

d) Vaikuntha Tradecom Private Limited

Vaikuntha Tradecom Private Limited was incorporated as a private company on December 7, 2010 at Kolkata under the Companies Act, 1956. The memorandum of association authorizes Vaikuntha Tradecom Private Limited and it is currently engaged into the business of, *inter alia*, export, import and multi-level marketing of all kinds of ferro alloys.

Capital Structure:

Particulars	Number of equity shares of face value ₹10 each
Authorised capital	100,000
Issued, subscribed and paid-up capital	11,100

Shareholding

The following table sets forth details of the shareholding of our Company in Vaikuntha Tradecom Private Limited through Shyam Steel Manufacturing Limited:

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of total equity holding (%)
1.	Shyam Steel Manufacturing Limited	10,500	94.59%
2.	Purushottam Beriwala*	100	0.90%
3.	Lalit Beriwala*	100	0.90%
4.	Ravi Beriwala*	100	0.90%
5.	Brijesh Beriwala *	100	0.90%
6.	Manish Beriwala*	100	0.90%
7.	Govind Beriwal*	100	0.90%
Total		**11,100**	**100**

* *Shares are held by these individuals as nominees of Shyam Steel Manufacturing Limited.*

Common pursuits

Our Subsidiaries are engaged in activities similar to that of our Company or are enabled under their respective memorandums of association, to engage in activities similar to that of our Company. Our Company does not perceive any conflict of interest due to similar activities being undertaken by our wholly-owned Subsidiaries.

Business interest

Except in the ordinary course of business and as disclosed in "*Our Business*" and "*Financial Statements*" beginning on pages 124 and 171, our Subsidiaries do not have any business interests in our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises fourteen Directors.

The following table sets forth details of our Board:

Name, designation, address, occupation, nationality, term and DIN	Date of Birth	Age (years)	Other directorships
Name: Purushottam Beriwala ***Designation:*** Whole-time Director ***Address:*** CJ-222, Salt Lake City, Sector – II, Block – CJ, Biddhannagar, North 24 Parganas, Kolkata 700 091 ***Occupation:*** Business ***Nationality:*** Indian ***Period and Term:*** Appointed for a period of five years with effect from September 2, 2014. ***DIN:*** 00006215	August 8, 1960	58	• Kamaldhan Vintrade Private Limited; • Shyam Mining Private Limited; • Shyamsree Agro Commodities Private Limited; • Shyam Steel Manufacturing Limited; • Shyamsteel Agro Private Limited; and • Shyamsteel Energy Private Limited.
Name: Govind Beriwal ***Designation:*** Whole-time Director ***Address:*** CF – 370, Sector – 1, Salt Lake City, North 24 Parganas, Biddhannagar, Kolkata 700 064 ***Occupation:*** Business ***Nationality:*** Indian ***Period and Term:*** Appointed for a period of five years with effect from April 1, 2018, liable to retire by rotation ***DIN:*** 00006100	March 9, 1963	56	• Shyam Analytical Labs Private Limited; • Shyam Steel Manufacturing Limited; • Shyam Steel Metallics Private Limited; and • Shyamsree Food Processing Private Limited.
Name: Lalit Beriwala ***Designation:*** Whole-time Director ***Address:*** IB – 185, Sector – III, Salt Lake City, 5th Floor, North 24 Parganas, Kolkata 700 106 ***Occupation:*** Business ***Nationality:*** Indian ***Period and Term:*** Appointed for a period of five years with effect from April 1, 2018, liable to retire by rotation ***DIN:*** 00006198	December 14, 1968	50	• Kamaldhan Vintrade Private Limited; • Shyam Mining Private Limited; • Shyam Steel Manufacturing Limited; • Shyam Steel Metallics Private Limited; • Shyamsree Agro Commodities Private Limited; • Shyamsteel Energy Private Limited; and • Shyamsteel Power Private Limited.
Name: Ravi Beriwala	June 6, 1970	48	• Shyam Analytical Labs Private Limited;

Name, designation, address, occupation, nationality, term and DIN	Date of Birth	Age (years)	Other directorships
***Designation**:* Whole-time Director ***Address**:* 1B-185, 3rd Floor, Sector –III, Salt Lake City, Biddhannagar, IB Market, North 24 Parganas, Kolkata 700 106 ***Occupation**:* Business ***Nationality**:* Indian ***Period and Term**:* Appointed for a period of three years with effect from April 1, 2019 up to March 31, 2022, liable to retire by rotation. ***DIN**:* 00006230			• Shyamsteel Energy Private Limited; • Shyamsree Food Processing Private Limited; • Shyamsree Infrastructure Private Limited; and • Shyam Steel Manufacturing Limited.
***Name**:* Brijesh Beriwala ***Designation**:* Non-Executive Director ***Address**:* IB – 185, Sector – III, 10th Floor, Near Columbia Asia Hospital, Biddhannagar, IB Market, Salt Lake, North 24 Parganas, Kolkata 700 106 ***Occupation**:* Business ***Nationality**:* Indian ***Period and Term**:* Appointed for a period of five years with effect from April 1, 2018, liable to retire by rotation ***DIN**:* 00006152	August 27, 1972	46	• Shyamsteel Agro Private Limited; • Shyam Steel Manufacturing Limited; • Shyam Technical Services Private Limited; and • Shyamsree Mansion Private Limited.
***Name**:* Manish Beriwala ***Designation**:* Whole-time Director ***Address**:* IB – 185, 7th Floor, Sector – III, Salt Lake City, Biddhannagar, IB Market, North 24 Parganas, Kolkata 700 106 ***Occupation**:* Business ***Nationality**:* Indian ***Period and Term**:* Appointed for a period of five years with effect from April 1, 2018, liable to retire by rotation ***DIN**:* 00006249	August 23, 1977	41	• Shyam Steel Manufacturing Limited; and • Shyam Technical Services Private Limited.
***Name**:* Deepak Chowdhary ***Designation**:* Whole-time Director ***Address**:* RC − 55, Bengal Ambuja, City Centre, Burdwan, Durgapur 713 216 ***Occupation**:* Service ***Nationality**:* Indian	September 27, 1978	40	Nil.

Name, designation, address, occupation, nationality, term and DIN	Date of Birth	Age (years)	Other directorships
Period and Term*:* Appointed for a period of five years with effect from April 1, 2016 ***Period:*** Since April 1, 2016 ***DIN****:* 06965132			
Name: Santinath Sarkar ***Designation****:* Independent Director ***Address****:* 181/2, Nagendra Nath Road, Jugipara, South Dum Dum, North 24 Parganas, Kolkata 700 028 ***Occupation****:* Professional ***Nationality****:* Indian ***Period and Term****:* Appointed for a period of five years with effect from October 15, 2014 ***DIN****:* 06996438	November 11, 1953	65	• Shyam Steel Manufacturing Limited.
Name: Rajni Mishra ***Designation****:* Independent Director ***Address****:* Rabindra Pally, Maheshtala, South 24 Parganas, Kolkata 700 142 ***Occupation****:* Service ***Nationality****:* Indian ***Period and Term****:* Appointed for a period of five years with effect from May 30, 2017 ***DIN****:* 07706571	January 1, 1987	32	• Shyam Steel Manufacturing Limited.
Name: Hanuman Mal Choraria ***Designation****:* Additional Independent Director ***Address****:* 565/1, SK Deb Road, Krishna Vatika, Lake Town Annex, Sreebhumi, North 24 Parganas, Kolkata 700 048 ***Occupation****:* Practising Company Secretary ***Nationality****:* Indian ***Period and Term****:* Appointed for a period of five years with effect from April 11, 2019 ***DIN****:* 00018375	August 4, 1952	66	• Ajitnath Builders Private Limited; • Anuvart Dealcomm Private Limited; • H. M. Choraria & Consultants Private Limited; • Himadri Speciality Chemical Limited; • Ossian Home Services Private Limited; • Oswal Construction Private Limited; • Saibaba Professional Consultants Private Limited; • Seeka Dealcomm Private Limited; • Senco Gold Limited; • Sha Rubber Manufacturing and Project Engineering Private Limited (*under the process of being struck off*); and

Name, designation, address, occupation, nationality, term and DIN	Date of Birth	Age (years)	Other directorships
			• Sresht Barter Private Limited.
Name: Joginder Pal Dua ***Designation:*** Additional Independent Director ***Address:*** 1715, First Floor, DLF Phase - 4, Chakkarpur, Gurgaon 122 002 ***Occupation:*** Management Advisory ***Nationality:*** Indian ***Period and Term:*** Appointed for a period of five years with effect from April 11, 2019 ***DIN:*** 02374358	August 5, 1952	66	• Century Plyboards (India) Limited; • PNB Metlife India Insurance Company Limited; • Skipper Limited; and • Vikram Solar Limited.
Name: Shounak Mitra ***Designation:*** Additional Independent Director ***Address:*** P-97, Kalindi Housing Estate, South Dum Dum (M), North 24 Parganas, Kolkata 700 089 ***Occupation:*** Business ***Nationality:*** Indian ***Period and Term:*** Appointed for a period of five years with effect from April 11, 2019 ***DIN:*** 07762047	October 9, 1985	33	Nil.
Name: Uday Kumar Chatterjee ***Designation:*** Additional Independent Director ***Address:*** FE-159/2, Saltlake, Sector-III, Bidhannagar(M), North 24 Parganas, Kolkata 700 106 ***Occupation:*** Consultant ***Nationality:*** Indian ***Period and Term:*** Appointed for a period of five years with effect from April 11, 2019 ***DIN:*** 06441382	January 14, 1944	75	• Costeel Processing Private Limited.
Name: Vikram Swarup ***Designation:*** Additional Independent Director ***Address:*** 2B, Judges Court Road, Alipore, Kolkata 700 027 ***Occupation:*** Professional ***Nationality:*** Indian	September 16, 1948	70	• Birla Corporation Limited; • Doypack Systems Private Limited; • Garima Private Limited; • Melvin Powell Vanaspati Engineering Industries Limited; • Okhla Chemicals Limited;

Name, designation, address, occupation, nationality, term and DIN	Date of Birth	Age (years)	Other directorships
***Period and Term**:* Appointed for a period of five years with effect from April 11, 2019 ***DIN**:* 00163543			• Paharpur Cooling Technologies (Singapore) Pte. Limited; • Paharpur Cooling Towers Limited; • Paharpur Europe SA; • Paharpur Industries Limited; • Paharpur Mauritius Limited; • Paharpur Realty Private Limited; • Paharpur USA Inc.; • Paharpur-Pragnya Tech Park Private Limited; • RCCPL Private Limited; • Selecto Pac Private Limited; • Thyssenkrupp Industries India Private Limited; and • Vikram Solar Limited.

Relationship between our Directors

S No.	Name of Director	Related to	Nature of relationship
1.	Purushottam Beriwala	Govind Beriwal	Brother
2.	Govind Beriwal	Purushottam Beriwala	Brother
3.	Lalit Beriwala	Ravi Beriwala, Brijesh Beriwala and Manish Beriwala	Brother
4.	Brijesh Beriwala	Lalit Beriwala, Ravi Beriwala and Manish Beriwala	Brother
5.	Ravi Beriwala	Lalit Beriwala, Brijesh Beriwala and Manish Beriwala	Brother
6.	Manish Beriwala	Lalit Beriwala, Ravi Beriwala and Brijesh Beriwala	Brother

Other than as disclosed above, there is no family relationship among our Directors.

Brief biographies of Directors

Purushottam Beriwala is a Whole-time Director of our Company. He holds a bachelor's degree in commerce from the University of Calcutta. He has over 40 years of experience in the steel industry.

Govind Beriwal is a Whole-time Director of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta and a bachelor's degree in law from the University of Calcutta. He has over 35 years of experience in the steel industry.

Lalit Beriwala is a Whole-time Director of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He has over 30 years of experience in the steel industry. Currently, he is serving as the chairman of the standing committee on Industry in the Merchants' Chamber of Commerce and Industry and the chairman of the ICC National Expert Committee on Minerals and Metals of the Indian Chamber of Commerce. He is also serving as the president of Salt Lake Sanskritik Sansad and vice president of Saltlake Shiksha Sadan.

Ravi Beriwala is a Whole-time Director of our Company. He holds a bachelor's degree in commerce from the University of Calcutta. He has over 30 years of experience in the steel industry.

Brijesh Beriwala is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce from the University of Calcutta. He has over 25 years of experience in the steel industry.

Manish Beriwala is a Whole-time Director of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He has over 20 years of experience in the steel industry.

Deepak Chowdhary is a Whole-time Director of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He has over 19 years of experience in the field of accounts and taxation and he is also the President – Plants (commercial) in our Company.

Joginder Pal Dua is an Additional Independent Director of our Company. He holds a bachelor's degree in law from the Meerut University and a master's degree in arts (economics) from the Panjab University. He has significant experience in the banking industry. He has served as an honorary fellow of the Indian Institute of Banking and Finance and deputy chairman of the Indian Banks' Association. He has also served as a member and chairman of the Board of Industrial and Financial Reconstruction. Previously, he has been associated with Allahabad Bank as its executive director, chairman and managing director.

Vikram Swarup is an Additional Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from the Jadavpur University. He has served as vice president of Friends of Tribal Society and as an honorary fellow of the Indian Institute of Chemical Engineers. He has significant experience and previously, he has been associated with Indo-American Chamber of Commerce (East India Council), as a regional president and has been associated with Kalyan Bharti Trust, as a vice-chairman.

Hanuman Mal Choraria is an Additional Independent Director of our Company. He holds a bachelor's degree in law from the University of Calcutta and is a fellow of the Institute of Company Secretaries of India. He is also registered as an insolvency professional with the Insolvency and Bankruptcy Board of India. He has over 30 years of professional experience. Previously, he was associated Riga Sugar Company Limited.

Shounak Mitra is an Additional Independent Director of our Company. He holds a bachelor's degree in law from the ICFAI University, Dehradun and is registered as an advocate with the Bar Council of West Bengal. He has over nine years of experience in the field of commercial and intellectual property law. He is associated with Khaitan & Co as a partner.

Uday Kumar Chatteerjee is an Additional Independent Director of our Company. He holds a bachelor's degree in technology (metallurgical engineering) and a doctor of philosophy degree in metallurgical engineering from the Indian Institute of Technology, Kharagpur. He has significant experience in the teaching, research and consultancy field. Previously, he was associated with the Indian Institute of Technology, Kharagpur as a professor in the department of metallurgical and materials engineering.

Santinath Sarkar is an Independent Director of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He is a certified Chartered Accountant from the Institute of Chartered Accountants of India. He has significant experience in the field of accounting and finance. Previously, he has worked at Santinath and Associates, an accountancy firm set by him.

Rajni Mishra is an Independent Director of our Company. She holds a bachelor's degree in science with honours from the University of Calcutta. She is an associate member of the Institute of Company Secretaries of India. She has over three years of experience in the corporate secretarial field. She is also associated with the Eastern Tea Company Limited as a Company Secretary.

Terms of appointment of Executive Directors

Purushottam Beriwala was appointed as our Whole-time Director, pursuant to the resolution passed by our Board on September 2, 2014 and the resolution passed by our Shareholders on September 30, 2014, for a period of five years with effect from September 2, 2014. Prior to his appointment as Whole-time Director, he was a Non-Executive Director on our Board. Pursuant to an agreement dated April 1, 2019, Purushottam Beriwala is entitled to salary of ₹ 61.00 million per annum including applicable taxes, Company's contribution to provident fund, superannuation fund, and national pension scheme and gratuity fund. Further, Purushottam Beriwala is entitled to perquisites in the nature of leave encashment.

Govind Beriwal was appointed as our Whole-time Director, pursuant to the resolution passed by our Board on March 31, 2018 and the resolution passed by our Shareholders on April 25, 2018, for a period of five years with effect from April 1, 2018. Pursuant to an agreement dated April 1, 2019, Govind Beriwal is entitled to salary of ₹ 61.00 million per annum including applicable taxes, Company's contribution to provident fund, superannuation fund, and national pension scheme and gratuity fund. Further, Govind Beriwal is entitled to perquisites in the nature of leave encashment.

Lalit Beriwala was appointed as our Whole-time Director, pursuant to the resolution passed by our Board on March 31, 2018 and the resolution passed by our Shareholders on April 25, 2018, for a period of five years with effect from April 1, 2018. Pursuant to an agreement dated April 1, 2019, Lalit Beriwala is entitled to salary of ₹ 61.00 million per annum including applicable taxes, Company's contribution to provident fund, superannuation fund, and national pension scheme and gratuity fund. Further, Lalit Beriwala is entitled to perquisites in the nature of leave encashment.

Manish Beriwala was appointed as our Whole-time Director, pursuant to the resolution passed by our Board on March 31, 2018 and the resolution passed by our Shareholders on April 25, 2018, for a period of five years with effect from April 1, 2018. Pursuant to an agreement dated April 1, 2019, Manish Beriwala is entitled to salary of ₹ 61.00 million per annum including applicable taxes, Company's contribution to provident fund, superannuation fund, and national pension scheme and gratuity fund. Further, Manish Beriwala is entitled to perquisites in the nature of leave encashment.

Ravi Beriwala was appointed as our Whole-time Director, pursuant to the resolution passed by our Board on February 15, 2019 and the resolution passed by our Shareholders on March 15, 2019, for a period of three years with effect from April 1, 2019. Prior to his appointment as Whole-time Director, he was a Non-Executive Director on our Board. Pursuant to an agreement dated April 1, 2019, Ravi Beriwala is entitled to salary of ₹ 48.80 million per annum including applicable taxes, Company's contribution to provident fund, superannuation fund, and national pension scheme and gratuity fund. Further, Ravi Beriwala is entitled to perquisites in the nature of leave encashment.

Deepak Chowdhary was appointed as our Whole-time Director, pursuant to the resolution passed by our Board on April 1, 2016 and the resolution passed by our Shareholders on September 30, 2016, for a period of five years with effect from April 1, 2016. Pursuant to an agreement dated April 1, 2019, Deepak Chowdhary is entitled to salary of ₹ 2.60 million per annum including applicable taxes, Company's contribution to provident fund, superannuation fund, and national pension scheme and gratuity fund. Further, Deepak Chowdhary is entitled to perquisites in the nature of leave encashment.

Except as disclosed " – *Terms of appointment of Executive Directors*" on pages 152-153, there are no contracts appointing or fixing the remuneration of the Executive Directors entered into within the last two years before the date of this Draft Red Herring Prospectus.

Payment or benefit to Directors of our Company

Pursuant to a resolution passed by the Board on October 15, 2014, each Non-Executive Director is entitled to receive sitting fees ranging between ₹ 5,000 to ₹ 50,000 per annum for attending meetings of the Board and the meetings of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

Remuneration to Non-Executive Directors, including Independent Directors:

Details of sitting fees paid to the Non-Executive Directors during Fiscal 2019, including deferred compensation accrued for Fiscal 2019, are set forth in the table below:

Name of the Director	Sitting fees (in ₹ million)	Commission (in ₹ million)	Total (in ₹ million)
Santinath Sarkar	0.05	-	0.05
Rajni Mishra	0.05	-	0.05

Remuneration to Executive Directors:

Details of remuneration paid to our Executive Directors during Fiscal 2019, including deferred compensation accrued for Fiscal 2019, are set forth in the table below:

Name of the Director	Gross salary (in ₹ million)	Perquisites (in ₹ million)	Total (in ₹ million)
Purushottam Beriwala	36.60	-	36.60
Govind Beriwal	36.60	-	36.60
Manish Beriwala	46.36	-	46.36
Deepak Chowdhary	2.33	-	2.33
Lalit Beriwala	46.36	-	46.36

Remuneration paid to Directors of our Company by our Subsidiaries

Details of remuneration paid to the Directors of our Company by our Subsidiaries during Fiscal 2019 for their association with our Subsidiaries, including in their capacity as directors of such Subsidiaries, including deferred compensation accrued for Fiscal 2019, are set out in the table below:

Name of the Director	Total (in ₹ million)
Ravi Beriwala	24.40
Brijesh Beriwala	46.36
Santinath Sarkar	0.05
Rajni Mishra	0.05

Shareholding of Directors in our Company

The following table sets forth the details of shareholding of our Directors in our Company as of the date of this Draft Red Herring Prospectus:

S No.	Name of the Director	Number of Equity Shares held in our Company
1.	Purushottam Beriwala	3,555,800
2.	Govind Beriwal	3,555,800
3.	Lalit Beriwala	2,432,700
4.	Ravi Beriwala	2,432,600
5.	Brijesh Beriwala	2,432,700
6.	Manish Beriwala	2,571,400

Interest of Directors

All our Non-Executive Directors, including the Independent Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses payable to them under our Articles of Association, as approved by our Board. Our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid for services rendered as officers of our Company. Our Directors may be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any. Some of our Directors may hold positions as directors on boards of our Subsidiaries and Group Companies and as heads of certain business verticals. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law. Further, Purushottam Beriwala and Lalit Beriwala, our Whole-time Directors are interested in the formation of our Company to the extent of being first directors our Company.

Except for Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Brijesh Beriwala and Manish Beriwala who are also our Promoters, none of our Directors are interested in the promotion of our Company.

Except as stated in "*Financial Statements*" beginning on page 171 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Other than the remuneration, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors.

Changes in our Board in the last three years

Name	Date of appointment/ change/cessation	Reason for change
Hanuman Mal Choraria	April 11, 2019	Appointed as an Additional Independent Director
Joginder Pal Dua	April 11, 2019	Appointed as an Additional Independent Director
Shounak Mitra	April 11, 2019	Appointed as an Additional Independent Director
Uday Kumar Chatterjee	April 11, 2019	Appointed as an Additional Independent Director
Vikram Swarup	April 11, 2019	Appointed as an Additional Independent Director
Nikunj Beriwal	April 11, 2019	Resigned as a Whole-time Director
Ravi Beriwala	April 1, 2019	Appointed as a Whole-time Director
Brijesh Beriwala	April 1, 2018	Appointed as a Non-Executive Director
Manish Beriwala	April 1, 2018	Appointed as a Whole-time Director
Lalit Beriwala	April 1, 2018	Appointed as a Whole-time Director
Govind Beriwal	April 1, 2018	Appointed as a Whole-time Director
Rajni Mishra	May 30, 2017	Appointed as an Independent Director
Komal Surana	May 30, 2017	Resigned as an Independent Director
Lalit Beriwala	April 1, 2017	Resigned as a Non-Executive Director
Govind Beriwal	April 1, 2017	Resigned as a Non-Executive Director

Borrowing powers of Board

In accordance with the provisions of the Articles of Association, the Board may, borrow or raise any monies required for the purpose of our Company upon such terms and in such manner with or without security as it may determine. In this regard, our Company, at its shareholders' meeting dated March 15, 2019, has, resolved that subject to the provisions of the Companies Act, 2013 including without limitation Section 180(1)(c) of the Companies Act, 2013 and the rules and regulations issued thereunder, the Board is authorized to borrow money for the purpose of the business of the Company up to an amount of ₹ 10,000 million.

Corporate governance

The Corporate Governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof, and formulation and adoption of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

Currently, our Board has six Executive Directors, one Non-Executive Director and seven Independent Directors, of which one is a woman director. The appointment of four of our Additional Independent Directors, namely, Hanuman Mal Choraria, Joginder Pal Dua, Shounak Mitra and Vikram Swarup will be regularized by way of an ordinary resolution in terms of Section 161 of the Companies Act and the appointment of one of our Additional Independent Directors, namely, Uday Kumar Chatterjee will be regularized by way of a special resolution in terms of Section 161 of the Companies Act and Regulation 17 (1A) of the SEBI Listing Regulations, to be passed by our Shareholders at the ensuing AGM.

Committees of the Board

In addition to the committees of the Board detailed below, our Board may, from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Hanuman Mal Choraria (Additional Independent Director) (*chairman*);
2. Govind Beriwal (Whole-time Director);
3. Santinath Sarkar (Independent Director); and
4. Rajni Mishra (Independent Director).

The Audit Committee was constituted by a meeting of our Board held on March 20, 2009 and last re-constituted on May 16, 2019. The terms of reference of the Audit Committee were revised pursuant to Board resolution passed on May 16, 2019. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Regulation 18 of the SEBI Listing Regulations, and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditor for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

    (v) Compliance with listing and other legal requirements relating to financial statements;

    (vi) Disclosure of any related party transactions; and

    (vii) Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval of any transactions of the Company with Related Parties, including any subsequent modifications thereof;

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;

l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances and providing for adequate safeguards against victimisation of such directors and employees;

m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with internal auditor on any significant findings and follow up thereon;

p) Reviewing the findings of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

q) Discussion with statutory auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

s) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

u) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters/letters of internal control weaknesses issued by the statutory auditor; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

w) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. April 1, 2019, and henceforth.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Hanuman Mal Choraria (Additional Independent Director) (*chairman*);
2. Brijesh Beriwala (Non-Executive Director); and

3. Rajni Mishra (Independent Director).

The Nomination and Remuneration Committee was constituted by a meeting of our Board held on October 10, 2012 and was last reconstituted by our Board at their meeting held on May 16, 2019. The terms of reference of the Nomination and Remuneration Committee were revised pursuant to a resolution passed by the Board on May 16, 2019. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulating the criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

l) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by such committee; and

m) Recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee:

The members of the Stakeholders' Relationship Committee are:

1. Brijesh Beriwala (Non-Executive Director) (*chairman*);

2. Lalit Beriwala (Whole-time Director); and

3. Shounak Mitra (Additional Independent Director).

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on May 16, 2019. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference are as follows:

a) Resolving grievances of security holders of the Company, including complaints related to transfer/ transmission of securities, non-receipt of annual report and non-receipt of declared dividends, issue of new/duplicate certificates, general meetings;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar & share transfer agent; and

d) Carrying out any other function as may be decided by the board of directors or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Govind Beriwal (Whole-time Director) (*chairman*);

2. Lalit Beriwala (Whole-time Director); and

3. Vikram Swarup (Additional Independent Director).

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on October 15, 2014 and last reconstituted by the Board at their meeting held on May 16, 2019. The terms of reference of the Corporate Social Responsibility Committee were revised pursuant to Board resolution passed on May 16, 2019. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

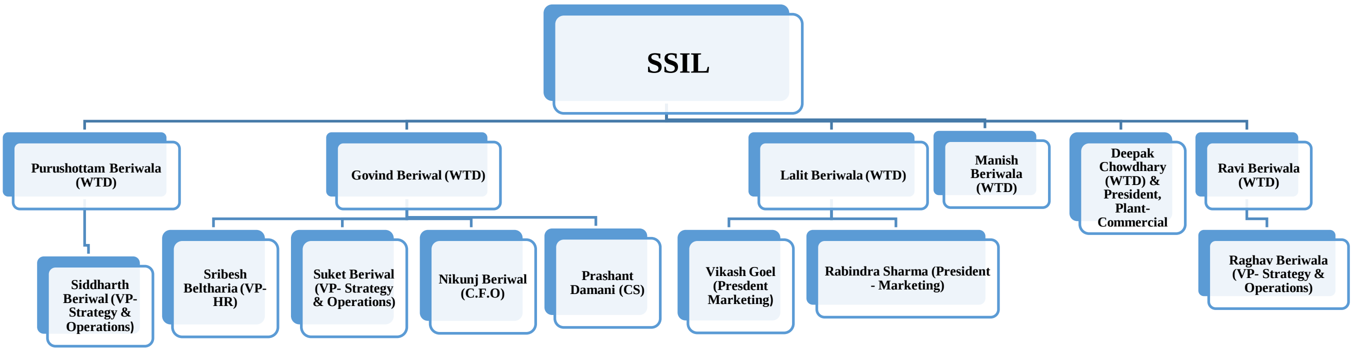
d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Manish Beriwala, Ravi Beriwala and Deepak Chowdhary are the Whole-time Directors of our Company. For further details, see "- *Brief Biographies of Directors*" on pages 151-152. For details of compensation paid to them, see "- *Payment or Benefit to Directors of our Company*" on page 153. Details of compensation paid to our Key Mangerial Personnel includes deferred compensation accrued for the Fiscal 2019, which is payable in Fiscal 2020.

Suket Beriwal is the Vice President - Strategy and Operations of our Company. He holds a bachelor's degree in commerce with honours from St. Xavier's College (Autonomous), under University of Calcutta. He is a chartered accountant and an associate member of the Institute of Chartered Accountants of India. He has over nine years of experience in the steel industry and he has been associated with our Company since April 1, 2010. He has received compensation of ₹ 30.50 million from our Company in Fiscal 2019.

Raghav Beriwala is the Vice President - Strategy and Operations of our Company. He holds a bachelor's degree in commerce with honours in marketing management from St. Xavier's College (Autonomous), under University of Calcutta and master's degree in science (entrepreneurship and international business) from Aston University. He has over nine years of experience in the steel industry. He has been associated with our Company since April 1, 2010. He has received compensation of ₹ 21.96 million from our Company in Fiscal 2019.

Siddharth Beriwal is the Vice President - Strategy and Operations of our Company. He holds a bachelor's degree in commerce with honours from St. Xavier's College (Autonomous), under University of Calcutta. He has over nine years of experience in the steel industry and he has been associated with our Company since April 1, 2010. He has received compensation of ₹ 30.50 million from our Company in Fiscal 2019.

Nikunj Beriwal is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He has over 23 years of experience in the steel industry and he has been associated with our Company in various capacities since March 8, 2002. He has received compensation of ₹ 3.66 million from our Company in Fiscal 2019.

Prashant Damani is the Company Secretary of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He is an associate member of the Institute of Company Secretaries of India. He has over 13 years of experience in the field of secretarial and corporate law field. He has been associated with our Company since April 11, 2019.

Vikash Goel is the President - Marketing of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He has over 15 years of experience in the steel industry. He has been associated with our Company since February 2, 2004. He has received compensation of ₹ 1.34 million from our Company in Fiscal 2019.

Rabindra Kumar Sharma is the President - Marketing of our Company. He holds a bachelor's degree in commerce with honours from the University of Calcutta. He has over 11 years of experience in the steel industry. He has been associated with our Company since October 1, 2007. He has received compensation of ₹ 1.22 million from our Company in Fiscal 2019.

Vinay Kumar Singh is the President - Plant (Technical) of Shyam Steel Manufacturing Limited, our Subsidiary. He holds a diploma in mechanical engineering from the Board of Technical Education, U.P. He has over 13 years of experience in the steel industry and he has been associated with Shyam Steel Manufacturing Limited, our Subsidiary since April 1, 2006.

Sribesh Beltharia is the Vice President - Human Resource of our Company. He holds a bachelor's degree in science (mathematics) and master's degree in business administration from University of Burdwan. He has over 15 years of experience in the field of human resources. He has been associated with our Company since January 5, 2017. He has received compensation of ₹ 2.27 million from our Company in Fiscal 2019.

Relationship between our Key Managerial Personnel and Key Managerial Personnel and Directors

For details of relationship between our Directors, see "– *Relationship between our Directors"* on page 151.

In addition to the above and except as disclosed below, none of our Key Managerial Personnel are related to each other or to our Directors:

S No.	Name of KMP	Related to	Nature of relationship
1.	Suket Beriwal	Govind Beriwal	Son
2.	Raghav Beriwala	Ravi Beriwala	Son
3.	Siddharth Beriwal	Purushottam Beriwala	Son

Other than Vinay Kumar Singh who is a permanent employee of our Subsidiary, SSML, all our Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel in our Company

None of our Key Managerial Personnel, except our Whole-time Directors hold any Equity Shares in our Company. For details of the shareholding of our Whole-time Directors, see "- *Shareholding of Directors in our Company*" beginning on page 154.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any. Further, some of our Key Managerial Personnel may hold positions as directors on boards of our Subsidiaries and as heads of certain business verticals and may receive remuneration for holding such positions.

Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Nikunj Beriwal	Chief Financial Officer	April 11, 2019	Appointment
Prashant Damani	Company Secretary	April 11, 2019	Appointment
Tony Paul	Company Secretary	April 11, 2019	Resignation
Tony Paul	Company Secretary	September 13, 2017	Appointment
Sudha Agarwal	Company Secretary	September 6, 2017	Resignation
Sudha Agarwal	Company Secretary	April 1, 2017	Appointment
Prerna Sharma	Company Secretary	February 28, 2017	Resignation

In addition to the changes in our Key Managerial Personnel set out above, for details in relation to changes in our Directors who are also our Key Managerial Personnel, see "*Our Management- Changes in our Board in the last three years*" beginning on page 154.

Except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Purushottam Beriwala;
2. Govind Beriwal;
3. Lalit Beriwala;
4. Ravi Beriwala;
5. Brijesh Beriwala; and
6. Manish Beriwala.

As on the date of this Draft Red Herring Prospectus, the Promoters, in aggregate, hold 16,981,000 Equity Shares in our Company, representing 27.39 % of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoters*", on pages 63-65.

Details of our Promoters

1. **Purushottam Beriwala**

Purushottam Beriwala, aged 58, is a citizen of India. He is the Whole-time Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" on page 151.

His PAN is ADAPB2083M. He does not have a driving licence. His aadhaar card number is [redacted]

2. **Govind Beriwal**

Govind Beriwal, aged 56, is a citizen of India. He is the Whole-time Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" on page 151.

His PAN is AEFPB0914D and his driving license number is WB01 19840339265. His aadhaar card number is [redacted].

3. **Lalit Beriwala**

Lalit Beriwala, aged 50, is a citizen of India. He is the Whole-time Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" on page 151.

His PAN is ADAPB2084N. He does not have a driving licence. His aadhaar card number is [redacted].

4. **Ravi Beriwala**

Ravi Beriwala, aged 48, is a citizen of India. He is the Whole-time Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" on page 151.

His PAN is ADXPB3489N and his driving license number is WB-0119890202644. His aadhaar card number is [redacted].

5. **Brijesh Beriwala**

Brijesh Beriwala, aged 46, is a citizen of India. He is the Non-Executive Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" on page 151.

His PAN is ADYPB5978R and his driving license number is WB-0119900971302. His aadhaar card number is [redacted]

6. **Manish Beriwala**

Manish Beriwala, aged 41, is a citizen of India. He is the Whole-time Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" on page 151.

His PAN is AEBPB8828E and his driving license number is WB-0119950295988. His aadhaar card number is [redacted].

Our Company confirms that the PAN, bank account numbers and passport numbers of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent they have promoted our Company, to the extent of their shareholding in our Company, directly and indirectly, the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure - History of the Equity Share capital held by our Promoters*" on pages 63-65.

Except to the extent of their directorship and shareholding in our Subsidiaries, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, see "*Our Management*" beginning on page 147 and "*Our Subsidiaries*" beginning on page 144.

Brijesh Beriwala is the Non- Executive Director of our Company and he may be deemed to be interested to the extent of sitting fees payable to him for attending meetings of our Board and committees thereof, and reimbursement of expenses payable to him. Further, certain of our Promoters are also interested in our Company as Whole-time Directors. For further details, see "*Our Management*" beginning on page 147. Some of our Promoters may hold positions as heads of certain business verticals or directors on boards of our Subsidiaries. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law. For further details, see "*Our Management*" beginning on page 147.

Payment of benefits to our Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in "*Financial Statements*" beginning on page 171, no amount or benefit has been paid or given to any of our Promoters or members of the Promoter Group in the two immediately preceding years from the date of this Draft Red Herring Prospectus and no amount or benefit is intended to be paid or given to any of our Promoters or members of the Promoter Group.

Material guarantees given by our Promoters

Except as disclosed in "*History and Certain Corporate Matters - Details of guarantees given to third parties by our Promoters, offering their shares in the Offer for Sale*" on pages 142-143, there are no guarantees given by our Promoters.

Promoter Group

Details of the Promoter Group of our Company are set forth below:

Natural persons forming part of our Promoter Group

The persons forming part of our Promoter Group who are related to our Promoters (other than our Promoters) are as follows:

1. Ajay Agarwal;
2. Ajay Kumar Gupta;
3. Anju Beriwala;
4. Ashok Kumar Gupta;
5. Bina Beriwala;
6. Deepak Goyal;
7. Devesh Beriwala;
8. Devi Prasad Kakrania;
9. Diksha Beriwala;
10. Gaurav Beriwal;
11. Jyoti Beriwal;
12. Keshav Beriwala;
13. Kishan Agarwal;
14. Kusum Bubana;
15. Manish Kakrania;
16. Manju Agarwal;
17. Manjulata Beriwala;
18. Maya Devi Beriwala;
19. Megha Beriwala;
20. Nikita Goel;
21. Pankaj Kakrania;
22. Pinky Agarwal;
23. Pragya Beriwala;
24. Preeti Jalan;
25. Priya Beriwala;
26. Puspa Devi Beriwala;
27. Radhika Beriwala;
28. Raghav Beriwala;

29. Rajeev Agarwal;

30. Rajendra Prasad Agarwal;

31. Rashmi Beriwala;

32. Sanjay Agarwal;

33. Santosh Devi Agarwal;

34. Santosh Goel;

35. Sarvesh Beriwala;

36. Shailja Beriwala;

37. Shri Ram Beriwala;

38. Shyam Sunder Beriwala;

39. Siddharth Beriwala;

40. Suket Beriwal;

41. Surendra Kumar Gupta;

42. Sushila Devi Agarwal;

43. Uma Kakrania;

44. Urmila Goyal;

45. Vikram Agarwal;

46. Vikram Goyal;

47. Vineeta Beriwala;

48. Vinita Agarwal; and

49. Vrinda Beriwala.

Entities forming part of our Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Allenby Real Estate Private Limited;

2. Alok Stocks & Securities Private Limited;

3. Anandamayee Developers Private Limited;

4. Anant Vintrade LLP;

5. Arnica Chemical Private Limited (held By Mrk & Co);

6. Aryadeep Tradelink Private Limited;

7. Avaneesh Dealmark Private Limited;

8. B2B Complex LLP;

9. B2B Enclave LLP;

10. B2B Heights LLP;

11. B2B Homes LLP;

12. B2B Nirman LLP;

13. B2B Niwas LLP;

14. B2B Projects LLP;

15. B2B Villa LLP;

16. Beriwala Seva Trust;

17. Bharat Industrial Corporation;

18. Bright Dealtrade Private Limited;

19. Brijesh Anju Foundation Trust;

20. BS BS Farmhouse LLP;

21. Cure & Care;

22. Cut & Stich Apparel Private Limited;

23. D.P. Infotech Private Limited;

24. Daksha Tie-Up Private Limited;

25. Deepak Goyal HUF;

26. Devi Prasad Kakrania & Sons HUF;

27. Dhakalia Steel Corporation;

28. Dhakalia Steels;

29. DIN Chemicals & Coatings LLP;

30. DPK & Co.;

31. Dustory Traders Limited;

32. Foremost Tie-Up LLP;

33. GB Resorts LLP;

34. Govind Jyoti Foundation Trust;

35. Gunina Tie-Up LLP;

36. J D India Corporation;

37. Jiwandass And Grandsons;

38. Jiwandass Apparels LLP;

39. Kakrania Properties Private Limited;

40. Kakrania Retails Private Limited;

41. Kamaldhan Vintrade Private Limited;

42. Karunamayee Developers LLP;

43. Konark Hirise Private Limited;

44. Lakeview Builders Private Limited;

45. Lalit Manjulata Foundation Trust;

46. Leading Steel Trading LLP;

47. Leather Man Fashion Private Limited;

48. Linkstar Vyapaar Private Limited;

49. Liza Vincom Private Limited (held by MRK & Co.);

50. Looklike Complex LLP;

51. Lotus Mansion Private Limited;

52. M R Earthmovers;

53. Mangalam Mansion LLP;

54. Mangalshiv Properties LLP;

55. Manish Kakrania & Sons (HUF);

56. Manish Rashmi Foundation Trust;

57. Moonlife Enclave LLP;

58. Moonview Tie-Up Private Limited;

59. MR Bhoomi Bhavan LLP;

60. MR Flats LLP;

61. MRK & Co.;

62. MRK Homes LLP;

63. MRR Traders;

64. Murli Homeo Chemist;

65. Murli Homeo;

66. Nityadhara Properties LLP;

67. Octagon BPO Private Limited;

68. Onex Builders LLP;

69. Onex Construction LLP;

70. Onex Developers LLP;

71. Onex Housing LLP;

72. Onex Projects LLP;

73. Onex Properties LLP;

74. Onex Realty Private Limited;

75. Pankaj Kakrania HUF;

76. Parikarma Developers Private Limited;

77. Park Blue Print;

78. PB Farm House LLP;

79. Pradeep Kumar Agarwal & Others (HUF);

80. Prakriti Eminent Heights LLP;

81. Purushottam Bina Foundation Trust;

82. Puspa Niketan LLP;

83. Raghav Beriwala Foundation Trust;

84. Rajendra Prasad Agarwal (HUF);

85. Ravi Vineeta Foundation Trust;

86. Retain Tradelink LLP;

87. Rosewood Plaza LLP;

88. Sajan Spaces LLP;

89. Samson Marketing Private Limited;

90. Saturn Vincom Private Limited;

91. Seaside Construction LLP;

92. Shree Nimbark Gauseva Trust;

93. Shree Nivas Buildestates LLP;

94. Shyam Future Tech LLP;

95. Shyam Ispat Udyog;

96. Shyam Kutir Private Limited;

97. Shyam Mansion Private Limited;

98. Shyam Steel Foundation Trust;

99. Shyam Sunder Puspa Devi Beriwala Seva Trust;

100. Shyam Technical Services Private Limited;

101. Shyamshree Enclave Private Limited;

102. Shyamshree Niketan Private Limited;

103. Shyamsree Agro Commodities Private Limited;

104. Shyamsree Developers Private Limited;

105. Siddharth Beriwala Foundation Trust;

106. Sreenath Promoters Private Limited;

107. SSB Estate LLP;

108. Suket Beriwal Foundation Trust;

109. Sumit Jalan HUF;

110. TCP Marketing & Research Private Limited;

111. Trumax Ispat Private Limited;

112. Unnati Nirman Private Limited;

113. Vasudeo Enclave Private Limited;

114. Vikram Agarwal (HUF); and

115. Vikram Goyal HUF.

The above list of natural persons and entities forming part of our Promoter Group does not include names of certain immediate relatives and their related entities (collectively, the "**Entities**") as required under Regulation 2(1)(pp)(ii) and (iv) of the SEBI ICDR Regulations. Our Company has filed an exemption application dated May 31, 2019 with SEBI in this regard.

OUR GROUP COMPANIES

Pursuant to resolution dated May 16, 2019, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies shall include (i) companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information and (ii) such other companies as considered material by our Board. For the purposes of (ii) above, our Board has approved that such companies shall be considered material and disclosed as Group Companies which are members of the Promoter Group and with which there were related party transactions in the Fiscal 2018 and nine months period ended December 31, 2018, which, individually or in the aggregate, exceed 10% of the total restated consolidated revenues of our Company for the Fiscal 2018 and nine months period ended December 31, 2018.

Pursuant to the aforesaid resolution, our Board has approved that other than companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information, there are no material group companies.

Accordingly, set forth below are our Group Companies as of the date of this Draft Red Herring Prospectus:

1. Shyamshree Enclave Private Limited;

2. Shyamshree Niketan Private Limited; and

3. Vasudeo Enclave Private Limited.

(1) Details of our Group Companies

The details of our Group Companies, are provided below:

(a) **Shyamshree Enclave Private Limited (“SEPL”)**

Corporate Information

SEPL was incorporated on July 20, 2006 under the Companies Act, 1956 as a private limited company in Kolkata, West Bengal. SEPL is engaged in the business of *inter alia,* buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings and non-residential buildings.

Financial Performance

The following table sets forth details of the audited financial results of SEPLfor Fiscal 2018, 2017 and 2016:

(in ₹ million, except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity Capital	0.70	0.70	0.70
Reserves (excluding revaluation reserves) and Surplus	3.83	3.59	3.37
Total Revenue	0.26	0.24	0.23
Profit/(Loss) after Tax	0.24	0.23	0.19
EPS (basic) (in ₹)	3.45	3.22	2.69
EPS (diluted) (in ₹)	3.45	3.22	2.69
Net asset value per share (in ₹)	64.75	61.30	58.08

(b) **Shyamshree Niketan Private Limited (“SNPL”)**

Corporate Information

SNPL was incorporated on July 21, 2006 under the Companies Act, 1956 as a private limited company in Kolkata, West Bengal. SNPL is engaged in the business of *inter alia,* buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings and non-residential buildings.

Financial Performance

The following table sets forth details of the audited financial results of SNPL for Fiscals 2018, 2017 and 2016:

(in ₹ million, except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity Capital	0.70	0.70	0.70
Reserves (excluding revaluation reserves) and Surplus	3.97	3.71	3.47
Total Revenue	0.27	0.25	0.24
Profit/(Loss) after Tax	0.24	0.24	0.23
EPS (basic) (in ₹)	3.68	3.37	3.22
EPS (diluted) (in ₹)	3.68	3.37	3.22
Net asset value per share (in ₹)	66.65	62.97	59.60

(c) **Vasudeo Enclave Private Limited ("VEPL")**

Corporate Information

VEPL was incorporated on April 20, 2006 under the Companies Act, 1956 as a private limited company in Kolkata, West Bengal. VEPL is engaged in the business of *inter alia*, construction and investment in real estate, and primarily buying, selling, developing, letting, sub-letting, maintaining, mortgaging, accepting mortgaging, renting, leasing, sub-leasing , surrendering, accepting , lease, tenancy or sub-tenancy, construction, reconstructing, repairing, maintaining land, building, tenants, blocks, flats, apartments and offices.

Financial Performance

The following table sets forth details of the audited financial results of VEPL for Fiscals 2018, 2017 and 2016:

(in ₹ million, except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserves) and Surplus	3.44	3.13	67.68
Total Revenue	0.87	0.12	0.12
Profit / (Loss) after Tax	0.32	(0.14)	0.01
EPS (basic) (in ₹)	3.18	(1.42)	0.07
EPS (diluted) (in ₹)	3.18	(1.42	0.07
Net asset value per share (in ₹)	44.45	41.27	686.79

(2) Nature and extent of interest of Group Companies

Except as disclosed in "*Financial Statements*" beginning on page 171, none of our Group Companies have any business interest in our Company and related business transactions within the group, during the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016.

DIVIDEND POLICY

Our Company has no formal dividend policy. The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, applicable legal restrictions and the overall financial position of our Company.

We have not declared any dividends in the last three Fiscals and the nine months period ended December 31, 2018. There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capability to pay dividend, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 41.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

Shyam Steel Industries Limited

Shyam Towers, EN - 32,

Sector V, Salt Lake,

Kolkata – 700091

West Bengal, India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Shyam Steel Industries Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity, the Restated Consolidated Summary Statement of Cash Flows for the nine months period ended 31 December 2018 and for each of the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 27 May 2019, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("proposed IPO") prepared in terms of the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

    b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

    c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

2. The Company's Board of Directors are responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India and relevant stock exchanges in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1 of Annexure V to the Restated Consolidated Financial Information.

   The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 8 April 2019 in connection with the proposed IPO of equity shares of the Company;

   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a. The audited special purpose consolidated Ind AS financial statements of the Group as at and for the nine months period ended 31 December 2018 prepared in accordance with Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles accepted in India which have been approved by the Board of Directors at their meeting held on 27 May 2019. The comparative information for the year ended 31 March 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the accounting standards notified under the Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on 29 September 2018 ("Special Purpose Consolidated Ind AS Financial Statements"); and

b. The Restated Consolidated Financial Information also contains the Proforma Ind AS Restated Consolidated Financial Information as at and for the year ended 31 March 2017 and 31 March 2016. The Proforma Ind AS Restated Consolidated Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended 31 March 2017 and 31 March 2016 which have been approved by the Board of Directors at their meeting held on 27 May 2019 as described in note 1 of Annexure V to the Restated Consolidated Financial Information.

5. For the purpose of our examination, we have relied on:

a. Auditors' report issued by us dated 27 May 2019 on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the nine months period ended 31 December 2018 and for the year ended 31 March 2018 as referred in Paragraph 4 above; and

b. Auditors' report issued by Singhi & Co., Chartered Accountants,('the Previous Auditor') dated 27 May 2019 on the consolidated financial statements of the Group as at and for the years ended 31 March 2017 and 31 March 2016, as referred in Paragraph 4 above.

The audits for the financial years ended 31 March 2017 and 31 March 2016 were conducted by the Company's Previous Auditor, and accordingly reliance has been placed on the Restated Consolidated Summary Statement of Assets and Liabilities, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity, the Restated Consolidated Summary Statement of Cash Flows, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "2017 and 2016 Restated Consolidated Financial Information") and examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditor. They have also confirmed that the 2017 and 2016 Restated Consolidated Financial Information:

i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2017 and 31 March 2016 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended 31 December 2018;

ii. have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31 March 2017 and 31 March 2016 as described in Annexure VII to the Restated Consolidated Financial Information;

iii. there are no modifications requiring adjustments; and

iv. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

6. As indicated in our audit report referred above in Para 5(a):

We did not audit the financial statements of Shyam Steel Manufacturing Limited (formerly known as Sova Ispat Limited), a subsidiary, whose share of total assets, total revenues, net cash inflows included in the Special Purpose Consolidated Ind AS Financial Statements, for the relevant period/year is tabulated below, which have been audited by the Previous Auditor, and whose reports have been furnished to us by the Company's management and our opinion on the Special Purpose Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the Previous Auditor:

(INR in million)

Particulars	As at/ for the nine months period ended 31 December 2018	As at/ for the year ended 31 March 2018
Total assets	6,230.86	5,007.78
Total revenues	6,791.05	6,869.04
Net cash inflow	0.25	2.60

Our opinion on the Special Purpose Consolidated Ind AS Financial Statements is not modified in respect of these matters.

The Previous Auditor have examined the Restated Financial Information of Shyam Steel Manufacturing Limited (formerly known as Sova Ispat Limited) and have confirmed that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended 31 December 2018;

b) there are no modifications requiring adjustments; and

c) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditor for the respective period/years, we report that the Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended 31 December 2018;

   b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31 March 2017 and 31 March 2016 as described in Annexure VII to the Restated Consolidated Financial Information;

   c) there are no modifications requiring adjustments; and

   d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the date of the report on the Special Purpose Consolidated Ind AS Financial Statements for the nine months period ended 31 December 2018 as mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditor , nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India and the relevant stock exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for

any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership Number: 055757

Place: Kolkata

Date: 27 May 2019

INDEX

Sr No.	Details of Restated Consolidated Financial Information (Ind AS) as at 31 December 2018	Annexure Reference
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SHYAM STEEL INDUSTRIES LIMITED
Annexure I
Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in Million)

Particulars	Notes to Annexure VI	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017 (Proforma)	As at 31 March 2016 (Proforma)
ASSETS					
Non-current assets					
Property, plant and equipment	1	**5,210.05**	4,669.37	4,830.92	5,440.87
Capital work-in-progress	1	**189.88**	630.25	163.49	64.45
Other Intangible assets	2	**13.20**	6.15	1.24	0.73
Investment property	3	**10.45**	16.59	13.27	-
Financial assets					
(i) Investments	4	**1.37**	1.31	1.59	0.09
(ii) Loans	5	**44.11**	73.31	17.59	20.81
(iii) Other financial assets	6	**36.76**	1.65	15.00	17.19
Other non-current assets	7	**106.81**	86.43	76.97	50.78
Non-current tax assets (net)	8	**28.65**	75.99	96.15	97.42
Total non-current assets		**5,641.28**	**5,561.05**	**5,216.22**	**5,692.34**
Current assets					
Inventories	9	**1,994.74**	2,014.66	1,428.58	916.40
Financial assets					
(i) Investments	10	**1,513.21**	351.20	163.78	222.39
(ii) Trade receivables	11	**2,537.94**	2,420.76	1,602.84	1,642.81
(iii) Cash and cash equivalents	12	**125.42**	46.30	33.30	32.03
(iv) Bank balances other than cash and cash equivalents	13	**109.48**	107.13	148.16	114.15
(v) Loans	5	**64.57**	87.42	66.03	59.94
(vi) Other financial assets	6	**201.81**	161.09	261.78	271.00
Other current assets	7	**996.56**	757.16	1,242.04	769.75
Total current assets		**7,543.73**	**5,945.72**	**4,946.51**	**4,028.47**
Total assets		**13,185.01**	**11,506.77**	**10,162.73**	**9,720.81**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	14	**62.00**	62.00	62.00	65.00
Other equity	15	**6,895.87**	5,580.02	4,510.40	4,220.69
Equity attributable to equity holders of the Group		**6,957.87**	**5,642.02**	**4,572.40**	**4,285.69**
Non-controlling interest		-	-	31.75	28.63
Total equity		**6,957.87**	**5,642.02**	**4,604.15**	**4,314.32**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	16	**502.96**	779.09	631.66	976.34
(ii) Trade payables	21				
A. Total outstanding dues of micro enterprises and small enterprises		**-**	-	-	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	105.83	198.43	198.43
(iii) Other financial liabilities	17	**685.33**	526.12	304.60	294.34
Provisions	18	**85.80**	74.75	50.13	33.27
Deferred tax liabilities (net)	19	**513.33**	503.76	509.70	583.51
Other non-current liabilities	20	**20.69**	22.56	24.70	26.83
Total non-current liabilities		**1,808.11**	**2,012.11**	**1,719.22**	**2,112.72**
Current liabilities					
Financial liabilities					
(i) Borrowings	16	**1,856.78**	1,769.32	2,159.01	1,653.64
(ii) Trade payables	21				
A. Total outstanding dues of micro enterprises and small enterprises		**2.42**	13.69	8.74	6.27
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,255.58**	770.68	524.16	752.39
(iii) Other financial liabilities	17	**691.30**	696.79	715.61	567.23
Other current liabilities	20	**485.98**	467.39	388.26	310.34
Provisions	18	**20.75**	14.58	7.41	3.90
Current tax liabilities (net)	22	**106.22**	120.19	36.17	-
Total current liabilities		**4,419.03**	**3,852.64**	**3,839.36**	**3,293.77**
Total liabilities		**6,227.14**	**5,864.75**	**5,558.58**	**5,406.49**
Total equity and liabilities		**13,185.01**	**11,506.77**	**10,162.73**	**9,720.81**

Note: The above Annexure should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Shyam Steel Industries Limited
CIN: U27100WB2002PLC094339

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Purushottam Beriwala
Whole-time Director
DIN: 00006215

Lalit Beriwala
Whole-time Director
DIN: 00006198

Nikunj Beriwal
Chief Financial Officer
Place: Kolkata
Date: 27 May 2019

Prashant Damani
Company Secretary
Place: Kolkata
Date: 27 May 2019

Place: Kolkata
Date: 27 May 2019

SHYAM STEEL INDUSTRIES LIMITED

Annexure II

Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income)

(Rs. in Million)

	Particulars	Notes to Annexure VI	For the nine months period ended 31 December 2018	For the year ended 31 March 2018	For the year ended 31 March 2017 (Proforma)	For the year ended 31 March 2016 (Proforma)
	Income					
I.	Revenue from operations	23	**20,025.50**	21,475.89	15,151.61	11,619.74
II.	Other income	24	**115.82**	153.15	73.06	70.86
III.	**Total income (I+II)**		**20,141.32**	**21,629.04**	**15,224.67**	**11,690.60**
IV.	**Expenses**					
	Cost of materials consumed	25	**13,129.74**	13,137.21	8,505.43	6,313.35
	Purchases of stock-in-trade	26	**623.74**	514.10	17.49	28.07
	Changes in inventories of finished goods, work in progress and stock-in-trade	27	**(556.72)**	(84.83)	(156.14)	209.48
	Excise duty		**-**	467.10	1,400.18	1,080.67
	Employee benefits expense	28	**932.56**	991.67	551.16	333.92
	Finance costs	29	**251.17**	348.26	310.47	349.00
	Depreciation and amortisation expense	30	**344.15**	586.56	827.32	834.21
	Other expenses	31	**3,642.13**	4,204.06	3,203.83	2,369.78
	Total expenses (IV)		**18,366.77**	**20,164.13**	**14,659.74**	**11,518.48**
V.	**Consolidated profit before tax (III-IV)**		**1,774.55**	**1,464.91**	**564.93**	**172.12**
VI.	**Tax expense**					
	-Current tax	32	**476.99**	402.35	185.40	121.07
	-Income tax for earlier years	32	**(24.23)**	(0.11)	2.95	1.11
	-Deferred tax charge/(credit)	32	**8.30**	(30.93)	(70.18)	(24.06)
VII.	**Total tax expense**		**461.06**	**371.31**	**118.17**	**98.12**
VIII.	**Consolidated profit after tax for the period/year (V-VII)**		**1,313.49**	**1,093.60**	**446.76**	**74.00**
IX.	**Consolidated other comprehensive income**					
	Items that will not be reclassified to profit or loss					
	a) Remeasurement gain/(loss) of the defined benefit plans		**3.63**	(21.44)	(10.49)	(2.73)
	b) Income tax on above		**(1.27)**	7.49	3.63	0.95
	Consolidated other comprehensive income for the period/ year, net of income tax		**2.36**	**(13.95)**	**(6.86)**	**(1.78)**
X.	**Consolidated total comprehensive income for the period/year (VIII + IX)**		**1,315.85**	**1,079.65**	**439.90**	**72.22**
	Consolidated profit for the period/year attributable to:					
	Owners of the Company		**1,313.49**	1,093.01	443.63	71.10
	Non-controlling interest		**-**	0.59	3.13	2.90
			1,313.49	**1,093.60**	**446.76**	**74.00**
	Consolidated other comprehensive income attributable to:					
	Owners of the Company		**2.36**	(13.95)	(6.85)	(1.68)
	Non-controlling interest		**-**	-	(0.01)	(0.10)
			2.36	**(13.95)**	**(6.86)**	**(1.78)**
	Total comprehensive income attributable to:					
	Owners of the Company		**1,315.85**	1,079.06	436.78	69.42
	Non-controlling interest		**-**	0.59	3.12	2.80
			1,315.85	**1,079.65**	**439.90**	**72.22**
	Earnings per equity share (nominal value of ₹ 10 each)					
	Basic [in Rs.]	38	**21.19**	17.63	6.83	1.09
	Diluted [in Rs.]	38	**21.19**	17.63	6.83	1.09

Note: The above Annexure should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Shyam Steel Industries Limited
CIN: U27100WB2002PLC094339

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Purushottam Beriwala
Whole-time Director
DIN: 00006215

Lalit Beriwala
Whole-time Director
DIN: 00006198

Nikunj Beriwal
Chief Financial Officer
Place: Kolkata
Date: 27 May 2019

Prashant Damani
Company Secretary
Place: Kolkata
Date: 27 May 2019

Place: Kolkata
Date: 27 May 2019

SHYAM STEEL INDUSTRIES LIMITED

Annexure III
Restated Consolidated Summary Statement of Changes in Equity for the nine months period/year ended 31 December 2018, 31 March 2018, 31 March 2017 (Proforma) and 31 March 2016 (Proforma)
For the nine months period ended 31 December 2018

(Rs. in Million)

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the Group	Non-controlling interest	Total equity
		Capital Reserve on consolidation	Securities premium	Capital redemption reserve	Capital reserve	Retained earnings	Equity component of compound financial instrument			
Balance at 1 April 2018 (A)	**62.00**	**304.90**	**747.82**	**3.00**	**4.20**	**4,520.10**	**-**	**5,642.02**	**-**	**5,642.02**
Profit for the period	-	-	-	-	-	1,313.49	-	1,313.49	-	1,313.49
Other comprehensive income (net of tax)	-	-	-	-	-	2.36	-	2.36	-	2.36
Total comprehensive income for the year (B)	-		-	-	-	1,315.85	-	1,315.85	-	1,315.85
Balance as at 31 December 2018 (A+B)	**62.00**	**304.90**	**747.82**	**3.00**	**4.20**	**5,835.95**	**-**	**6,957.87**	**-**	**6,957.87**

For the year ended 31 March 2018

(Rs. in Million)

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the Group	Non-controlling interest	Total equity
		Capital Reserve on consolidation	Securities premium	Capital redemption reserve	Capital reserve	Retained earnings	Equity component of compound financial instrument			
Balance as at 31 March 2017 (Proforma)	**62.00**	**511.29**	**747.82**	**3.00**	**4.20**	**3,244.09**	**-**	**4,572.40**	**31.75**	**4,604.15**
Impact of Ind AS adjustments for earlier years on reserves (Refer Annexure VII)	**-**	**(117.49)**	**-**	**-**	**-**	**196.95**	**-**	**79.46**	**-**	**79.46**
Balance at 1 April 2017 (A)	**62.00**	**393.80**	**747.82**	**3.00**	**4.20**	**3,441.04**	**-**	**4,651.86**	**31.75**	**4,683.61**
Profit for the year	-	-	-	-	-	1,093.01	-	1,093.01	0.59	1,093.60
Other comprehensive income (net of tax)	-	-	-	-	-	(13.95)	-	(13.95)	-	(13.95)
Acquisition of stake from non controlling interest	-	(88.90)	-	-	-	-	-	(88.90)	(32.34)	(121.24)
Total comprehensive income for the year (B)	-	(88.90)	-	-	-	1,079.06	-	990.16	(31.75)	958.41
Balance as at 31 March 2018 (A+B)	**62.00**	**304.90**	**747.82**	**3.00**	**4.20**	**4,520.10**	**-**	**5,642.02**	**-**	**5,642.02**

SHYAM STEEL INDUSTRIES LIMITED

Annexure III (Continued)
Restated Consolidated Summary Statement of Changes in Equity for the nine months period/year ended 31 December 2018, 31 March 2018, 31 March 2017 (Proforma) and 31 March 2016 (Proforma)

For the year ended 31 March 2017 (Proforma)

(Rs. in Million)

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the Group	Non-controlling interest	Total equity
		Capital Reserve on consolidation	Securities premium	Capital redemption reserve	Capital reserve	Retained earnings	Equity component of compound financial instrument			
Balance at 1 April 2016 (A)	**65.00**	**511.36**	**897.82**	**-**	**4.20**	**2,807.31**	**-**	**4,285.69**	**28.63**	**4,314.32**
Changes in equity share capital	-	-	-	-	-	-	-	-	-	-
Buyback of equity shares (refer note 14)	(3.00)	-	(150.00)	-	-	-	-	(153.00)	-	(153.00)
Transferred from securities premium on account of buyback of equity shares during the year	-	-	-	3.00	-	-	-	3.00	-	3.00
Acquisition of stake from non controlling interest	-	(0.07)	-	-	-	-	-	(0.07)	-	(0.07)
Profit for the year	-	-	-	-	-	443.63	-	443.63	3.13	446.76
Other comprehensive income (net of tax)	-	-	-	-	-	(6.85)	-	(6.85)	(0.01)	(6.86)
Total comprehensive income for the year (B)	(3.00)	(0.07)	(150.00)	3.00	-	436.78	-	286.71	3.12	289.83
Balance as at 31 March 2017 (Proforma) (A+B)	**62.00**	**511.29**	**747.82**	**3.00**	**4.20**	**3,244.09**	**-**	**4,572.40**	**31.75**	**4,604.15**

For the year ended 31 March 2016 (Proforma)

(Rs. in Million)

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the Group	Non-controlling interest	Total equity
		Capital Reserve on consolidation	Securities premium	Capital redemption reserve	Capital reserve	Retained earnings	Equity component of compound financial instrument			
Balance at 1 April 2015 (Proforma) (A)	**65.00**	**381.62**	**897.82**	**-**	**4.20**	**2,737.89**	**17.50**	**4,104.03**	**391.61**	**4,495.64**
Profit for the year	-	-	-	-	-	71.10	-	71.10	2.90	74.00
Other comprehensive income (net of tax)	-	-	-	-	-	(1.68)	-	(1.68)	(0.10)	(1.78)
Total comprehensive income for the year (B)	-	-	-	-	-	69.42	-	69.42	2.80	72.22
Acquisition of stake from non-controlling interest	-	129.74	-	-	-	-	(17.50)	112.24	(365.78)	(253.54)
Balance as at 31 March 2016 (Proforma) (A+B)	**65.00**	**511.36**	**897.82**	**-**	**4.20**	**2,807.31**	**-**	**4,285.69**	**28.63**	**4,314.32**

SHYAM STEEL INDUSTRIES LIMITED

Annexure III (Continued)
Restated Consolidated Summary Statement of Changes in Equity for the nine months period/year ended 31 December 2018, 31 March 2018, 31 March 2017 (Proforma) and 31 March 2016 (Proforma)

Nature and purpose of reserves:

Capital reserve on consolidation: Capital reserve on consolidation is mainly on account of acquisition of Shyam Steel Manufacturing Limited.

Capital Reserve: During amalgamation, the Group recognised the excess of net assets taken, over the consideration paid as Capital reserve.

Capital Redemption Reserve: The Group created the Capital redemption reserve from its retained earnings on buy back of equity shares as per the provisions of Companies Act, 2013, as applicable. The amount in Capital redemption reserve is equal to nominal amount of the equity shares bought back.

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. It can be used to issue bonus shares, to purchase of its own shares, to provide for premium on redemption of shares or debentures, write-off equity issue related expenses like underwriting costs, etc.

Equity component of compound financial instruments: The amount represents equity component of compound financial instrument issued by the Subsidiary Company, Shyam Steel Manufacturing Limited.

Retained Earnings: Retained earnings represents the profits earned by the Group till date, dividends or other distributions paid to equity shareholders.

Note: The above Annexure should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Shyam Steel Industries Limited
CIN: U27100WB2002PLC094339

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Purushottam Beriwala
Whole-time Director
DIN: 00006215

Lalit Beriwala
Whole-time Director
DIN: 00006198

Nikunj Beriwal
Chief Financial Officer
Place: Kolkata
Date: 27 May 2019

Prashant Damani
Company Secretary
Place: Kolkata
Date: 27 May 2019

Place: Kolkata
Date: 27 May 2019

SHYAM STEEL INDUSTRIES LIMITED

Annexure IV
Restated Consolidated Summary Statement of Cash Flows

(Rs. in Million)

Particulars	**For the nine months period ended 31 December 2018**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017 (Proforma)**	**For the year ended 31 March 2016 (Proforma)**
Cash flows from operating activities				
Restated Consolidated profit before tax	**1,774.55**	**1,464.91**	**564.93**	**172.12**
Adjustments for				
Depreciation and amortisation expense	**344.15**	586.56	827.32	834.21
Liability no longer required written back	**(8.52)**	(22.06)	(16.49)	(8.20)
(Profit) on sale of investment (net)	**(3.12)**	(1.38)	(6.54)	(0.49)
(Profit)/loss on sale of property, plant and equipment (net)	**(1.12)**	(3.49)	-	(0.01)
Interest income from fixed deposits	**(5.76)**	(7.98)	(9.45)	(10.64)
Interest income on investments	**(4.82)**	(7.20)	-	-
Provision for gratuity	**21.84**	20.50	11.71	7.71
Provision for impairment loss recognised under expected credit loss model	**50.13**	9.02	-	8.26
Deferred revenue on government grant	**(1.87)**	(28.19)	(16.46)	(46.06)
Finance costs	**251.17**	348.26	310.47	349.00
Changes in fair value of derivatives (net)	**(0.68)**	(43.08)	25.66	14.72
Changes in fair value of investments (net)	**(12.06)**	(0.76)	(2.95)	(2.45)
Unrealised foreign exchange gain (net)	**-**	28.64	21.48	50.75
Dividend income	**(1.62)**	-	-	-
Interest income on security deposit	**(3.55)**	(3.70)	(1.20)	(0.46)
Amortisation of deferred rent	**3.28**	4.38	0.72	(0.15)
Advances and bad debt written off	**1.22**	39.83	64.78	10.19
Operating cash flow before working capital changes	**2,403.22**	**2,384.26**	**1,773.98**	**1,378.50**
Changes in working capital				
(Increase) in trade receivables	**(167.21)**	(864.43)	(17.40)	(229.30)
(Increase)/Decrease in inventories	**19.92**	(586.08)	(512.18)	454.29
(Increase)/Decrease in loans, other financial assets and other assets (net)	**(216.70)**	903.16	(760.91)	(140.03)
Increase/ (Decrease) in trade payables, other liability, other financial liability and provisions (net)	**670.35**	297.95	293.26	214.93
Net changes in working capital	**2,709.58**	**2,134.86**	**776.75**	**1,678.39**
Less: Income taxes paid (net)	**(419.41)**	(298.05)	(150.92)	(107.42)
Cash flow generated from operating activities (A)	**2,290.17**	**1,836.81**	**625.83**	**1,570.97**
Cash flows from investing activities				
(Purchase) of property, plant and equipment and intangible assets (including capital work in progress and capital advances)	**(478.80)**	(733.14)	(344.59)	(358.89)
Proceeds from sale of property, plant and equipment	**6.72**	7.26	0.25	0.80
Purchase of non-current investments	**(0.10)**	-	(1.59)	(0.09)
Proceeds from non-current investments	**-**	0.30	-	-
(Purchase)/ Proceeds of current investments (net)	**(1,147.62)**	(186.62)	60.85	(169.23)
Redemption/ (Investment) in bank deposits (having original maturity of more than three months)	**(36.07)**	51.80	(31.05)	36.80
Interest received on fixed deposit	**12.28**	17.65	22.86	6.56
Dividend received	**1.62**	-	-	-
Net cash flows (used in) investing activities (B)	**(1,641.97)**	**(842.75)**	**(293.27)**	**(484.05)**
Cash flows from financing activities				
Payment for equity shares bought back	**-**	-	(150.00)	-
Proceeds from non-current borrowings	**118.77**	58.26	159.36	227.55
Repayment of non-current borrowings	**(511.24)**	(173.97)	(486.55)	(773.82)
Increase/ (decrease) in other borrowings	**87.46**	(389.68)	505.36	33.18
Purchase consideration paid towards acquisition of business	**-**	(122.43)	(1.11)	(236.24)
Finance cost paid	**(264.07)**	(353.24)	(358.39)	(412.62)
Net cash flows (used in) financing activities (C)	**(569.08)**	**(981.06)**	**(331.33)**	**(1,161.95)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**79.12**	13.00	1.23	(75.03)
Cash and cash equivalents at the beginning of the period/year	**46.30**	33.30	32.03	107.06
Opening Cash and Cash Equivalent of Subsidiary acquired	**-**	-	0.04	-
Cash and cash equivalents at the end of the year [refer note 12 to Annexure VI]	**125.42**	**46.30**	**33.30**	**32.03**

SHYAM STEEL INDUSTRIES LIMITED

Annexure IV (Continued)
Restated Consolidated Summary Statement of Cash Flows (Continued)

Note:

	Particulars	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017 (Proforma)**	**As at 31 March 2016 (Proforma)**
(a)	**Components of cash and cash equivalents at the end of the year comprise: (refer note 12)**				
	Cash on hand	**10.59**	7.98	4.31	13.47
	Cheque and draft on hand	**50.97**	-	-	-
	In fixed deposit accounts with original maturity of less than three months	-	-	-	0.73
	Balances with scheduled banks				
	- On current accounts	**63.86**	38.32	28.99	17.83
		125.42	**46.30**	**33.30**	**32.03**

(b) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 'Statement of Cash Flows' notified u/s 133 of the Companies Act, 2013 ("Act") read with rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

(c) Previous years figures have been regrouped/reclassified to conform to Ind AS presentation requirements.

(d) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes.

(Rs. in Million)

Particulars	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017 (Proforma)**	**As at 31 March 2016 (Proforma)**
Balance at the beginning of the period/ year	**2,748.42**	3,246.47	3,066.62	3,544.82
Cash flows (net)	**(305.01)**	(505.39)	178.17	(513.09)
Non-cash changes	**1.64**	7.34	1.68	34.89
Balance at the end of the period/year	**2,445.05**	**2,748.42**	**3,246.47**	**3,066.62**

Note: The above Annexure should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Shyam Steel Industries Limited
CIN: U27100WB2002PLC094339

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Purushottam Beriwala
Whole-time Director
DIN: 00006215

Lalit Beriwala
Whole-time Director
DIN: 00006198

Nikunj Beriwal
Chief Financial Officer
Place: Kolkata
Date: 27 May 2019

Prashant Damani
Company Secretary
Place: Kolkata
Date: 27 May 2019

Place: Kolkata
Date: 27 May 2019

SHYAM STEEL INDUSTRIES LIMITED

Annexure V
Summary Statement of Significant Accounting Policies

1. Corporate and General Information

Shyam Steel Industries Limited ('the Holding Company' or 'the Company') is a public company domiciled and headquartered in Kolkata, India. It is incorporated under the Companies Act, 1956. The Holding Company is primarily engaged in the manufacturing and trading of TMT Rebar and Structural steel. The Holding Company has operations in India and caters to both domestic and international markets. The Holding Company has one wholly owned subsidiary incorporated in India under the name of Shyam Energy Private Limited and three step down subsidiaries incorporated in India in the name of Shyam Steel Manufacturing Limited, Vaikuntha Tradecom Private Limited and Shyam Mining Private Limited collectively referred to as "the Group".

Basis of preparation

(a) Statement of compliance

The Restated Consolidated Financial Information of the Group have been prepared for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Holding Company and an offer for sale by certain of its shareholders (referred to as the "Issuer"). The Restated Consolidated Financial Information comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016, the Restated Consolidated Summary Statements of Profit and Loss, the Restated Consolidated Summary Statement of Cash Flows and the Restated Consolidated Summary Statement of Changes in Equity for the nine months period ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 and Annexure V to IX thereto (hereinafter collectively referred to as "the Restated Consolidated Financial Information").

The Restated Consolidated Financial Information have been prepared to comply in all material respects with the requirements of:
1) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended ("the Act"),
2) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations"); and
3) Guidance Note on Report in Company Prospectus (Revised 2019) issued by Institute of Chartered Accountants of India (referred to as 'the Guidance note')

The Act and the SEBI ICDR Regulations require the information in respect of the Consolidated Assets and Liabilities and Consolidated Profit and Loss of the Group for the interim / stub period and for each of the three years immediately preceding the date of issue of prospectus. In accordance with SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/47, the Company has applied the accounting framework described by Indian Accounting Standard (Ind AS) as notified by Ministry of Corporate affairs pursuant to Section 133 of the Act read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended for nine months ended 31 December 2018 and three annual period ended 31 March 2018, 31 March 2017 and 31 March 2016.
The Restated Consolidated Financial Information of the Company have been prepared and presented as follows:
(a) The Restated Consolidated Financial Information as at and for the nine months period ended 31 December 2018 and year ended 31 March 2018 have been compiled by the Management from the Special purpose Ind AS Audited Consolidated Financial Statements of the Group as at and for the nine months period ended 31 December 2018 and year ended 31 March 2018; prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, subsequent amendments thereof and other relevant provisions of the Act.
In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Holding Company has presented a reconciliation from the presentation of Consolidated Financial Statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP" or "Indian GAAP") to Ind AS of Restated Consolidated Shareholders' Equity as at 31 March 2017 and 31 March 2016 and of the Restated Consolidated Summary Statements of Profit and Loss for the years ended 31 March 2017 and 31 March 2016. Refer Annexure VII for details of the same.

(b) The Restated Consolidated Financial Information as at and for the years ended 31 March 2017 and 31 March 2016 have been compiled by the Management from the Special purpose Ind AS Audited Consolidated Financial Statements of the Group as at and for the year ended 31 March 2017 and 31 March 2016; prepared in accordance with Indian
Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, subsequent amendments thereof and other relevant provisions of the Act.
The Restated Consolidated Financial Information for these years along with respective underlying schedules and notes are "Proforma Ind AS Restated Consolidated Financial Information", as per the Guidance note on Reports in Company Prospectuses (Revised 2019), issued by the ICAI. The Holding Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2017 while preparing Restated Consolidated Financial Information for the years ended 31 March 2017 and 31 March 2016; and

(c) All amounts have been rounded off to the nearest million with two decimals, unless otherwise indicated.
'The Restated Consolidated Financial Information have been prepared so as to contain information disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:
• there were no audit adjustments on these Restated Consolidated Financial Information except as mentioned in Annexure VII,
• there were no changes in accounting policies under Previous GAAP during the years of these Restated Consolidated Financial Statements,
• material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted, refer Annexure VII,
• adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Holding Company as at and for the year/ period ended 31 December 2018 and 31 March 2018 prepared under Ind AS and the requirements of the ICDR Regulations, and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.
These Restated Consolidated Financial Information were adopted by the IPO Committee of the Holding Company, in its meeting held on 27 May 2019.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(b) Basis of consolidation

The Restated Consolidated Financial Information incorporate the Financial Statements of the Holding Company and entities controlled by the Holding Company and its subsidiaries.
All subsidiaries have a reporting date aligned to the Holding Company. The Holding Company exercises control if an only if it has the following:
a) power over the entity
b) exposure, or rights, to variable returns from its involvement with the entity; and
c) the ability to use its power over the entity to affect the amount of its returns.
The Holding Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.
When the Holding Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Holding Company considers all relevant facts and circumstances in assessing whether or not the Holding Company's voting rights in an investee are sufficient to give it power, including;
a) the size of the Holding Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b) potential voting rights held by the Holding Company, other vote holders or other parties;
c) rights arising from other contractual arrangements; and
d) any additional facts and circumstances that indicate that the Holding Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary.
Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.
All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the Financial Statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

(c) Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees ("Rs."), which is also the Holding Company's functional and presentation currency of the Group. All amounts have been rounded off to the nearest millions, unless otherwise indicated.
Basis of measurement
The Restated Consolidated Financial Information have been prepared on historical cost convention on the accrual basis, except for the following items:
`

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair value through profit and loss ("FVTPL")
Net benefit (asset)/liability	Defined benefit obligation less fair value of plan assets
Property, plant and equipment	Fair valued at transition date

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgements

The preparation of Financial Information requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes
(i) Useful life and residual value of property, plant and equipment and other intangible assets – Note 1;
(ii) Determining the fair values of investments – Note 39
(iii) Measurement of defined benefit obligations - Note 36
(iv) Measurement and likelihood of occurrence of provisions and contingencies - Note 33
(v) Recognition of deferred tax assets - Note 19
(vi) Impairment of impairment of financial assets: key assumptions used in estimating recoverable cash flows - Note 40

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.
The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in note 39.

(f) Classification of assets and liabilities into current/non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:
(i) It is expected to be realised or intended to sold or consumed in normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is expected to be realise the asset within twelve months after the reporting period; or
(iv) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All the other assets are classified as non-current.
Similarly, a liability is classified as current if:
(i) It is expected to be settled in normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counter party does not affect this classification.
All other liabilities are classified as non-current.

(g) Accounting Policy

(i) Business combination
Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

(ii) Subsidiaries
These Consolidated Financial Information are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements"(Ind AS - 110, specified under Section 133 of the Companies Act, 2013.
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Ind AS Financial Statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated Ind AS Financial Statements are:

Subsidiaries considered in the Consolidated Financial Information:

Name of the Company	Relation	Country of incorporation	Percentage Holding			
			As on 31 December 2018	As on 31 March 2018	As on 31 March 2017	As on 31 March 2016
Shyamsteel Energy Private Limited	Wholly owned subsidiary	India	100%	100%	100%	100%
Shyam Steel Manufacturing Limited	Step down subsidiary	India	100%*	100%*	98.52%	98.52%
Vaikuntha Tradecom Private Limited	Step down subsidiary	India	100%**	100%**	100%**	-
Shyam Mining Private Limited	Step down subsidiary	India	100%	100%	100%	100%

* 1.48% stake acquired on 3 May 2017
** 100% stake acquired on 9 March 2017

(iii) Non-controlling interest (NCI)
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(v) Transactions eliminated on consolidation

The Financial Information of the Holding Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e. 31 December 2018.
The Financial Information of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with subsidiaries are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realisable value (NRV). Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
Cost in respect of raw materials, stores and spares and stock-in-trade are computed using moving weighted average method. Cost in respect of finished goods and work-in-progress are computed using weighted average method. In the case of finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.
Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their NRV. The NRV of work-in-progress is determined with reference to the selling price of related finished products.
NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and NRV is made on item-by-item basis.

(vii) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.
For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Group’s cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

(viii) Income tax

Income Tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax
Current tax liabilities (or assets) for the current and prior periods are measured at the amount, reflecting the best estimate of the tax amount, expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.
Current tax assets and current tax liabilities are offset only if there is legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognised in respect of carry forward unused tax losses and unused tax credits.
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (“OCI”) or directly in equity.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.
Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” and grouped under Deferred Tax. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(ix) Property, plant and equipment

Recognition and measurement:
Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
Cost of an item of Property, plant and equipment acquired comprises its purchase price inclusive of duties, taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
If significant parts of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Profit or loss arising on the disposal of property, plant and equipment are recognised in the Statements of Profit and Loss.

Subsequent measurement:
Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.
Major Inspection/ Repairs/ Overhauling expenses are recognised in the carrying amount of the item of Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is derecognised.

(x) Depreciation and amortisation:

Depreciation on Property, plant and equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Group based on the technical evaluation.
In respect of the Plant and Machinery for Captive Power Plant and Rolling Mill, useful life of 25 years and 40 years respectively have been considered on the basis of technical evaluation done by an independent expert, which is different from life specified in Schedule II. The management believes that the useful life as considered above best represent the period over which the respective assets shall be expected to be in use.
In respect of spares for specific machinery, cost is amortised over the useful life of the related machinery as estimated by the management.
Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).
Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Disposal of assets
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(xi) Capital work-in-progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

(xii) Leases

Determining whether an arrangement contains a lease
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered prior to the date of transition, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

As a Lessee
Finance Lease
Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.
If there is no reasonable certainty that the Group will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.
Operating Lease
Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Group with expected inflationary costs.

As a lessor
Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(xiii) Employee benefits

Short term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits
The Group operates the following post employment benefit schemes:

Defined Contribution Plan
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions (a) employee provident fund to Government administered provident fund scheme, and (b) Employee State Insurance, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined Benefit Plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in Other comprehensive income (OCI). The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(xiv) Government grants

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The Government grants related to income is recognised in statement of profit and loss on a systematic and rational basis over the periods over which the related costs, for which it is intended to compensate, are expensed. The same is presented under "Other Operating Revenue" or "Other Income" as the case may be.
The Government grants relating to the acquisition/ construction of an item of property, plant and equipment are treated as deferred income and are credited to Statement of Profit and Loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within "Other operating income".

(xv) Foreign currency transactions
Foreign currency (other than the functional currency) transactions are translated into the functional currency using the prevailing rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchanges prevailing at the reporting date.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognised in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

(xvi) Borrowings
Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
Transaction costs in respect of long term borrowing are amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(xvii) Investment property
Investment Property is property (comprising land) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.
Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.
Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(xviii) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Recognition and Initial Measurement:
All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
Classification and Subsequent Measurement:
For purposes of subsequent measurement, financial assets are classified in three categories:
(i) Measured at Amortised Cost;
(ii) Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
(iii) Measured at Fair Value Through Profit or Loss (FVTPL);

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.
Measured at amortised Cost: A debt instrument is measured at the amortised cost if both the following conditions are met:
• The asset is held within a business model whose objective is achieved by both collecting 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 (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the Group.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
• The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
• The asset's contractual cash flows represent SPPI.
Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income.

Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

Derecognition:
The Group derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets:
The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognises impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(xix) Equity and Financial Liabilities
Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument
Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(xx) Financial Liabilities
Recognition and Initial Measurement:
Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
Subsequent Measurement:
Financial liabilities are measured subsequently at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

Derecognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

Derivative financial instruments
The Group enters into derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

(xxi) Earnings per share
Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(xxii) Impairment of Non-Financial Assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

(xxiii) Provisions, contingent liabilities and contingent assets
Provisions
Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities
Contingent liability is a possible obligation arising from past events and 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 or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Notes to the Restated Consolidated Financial Information.

Contingent Assets
Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

(xxiv) Intangible Assets
Recognition and Measurement
Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure
Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognised in the Statement of Profit and Loss.

Amortisation
Intangible assets are amortised over a period of five years.

The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible assets under development
Intangible assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

(xxv) Operating segment
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Group has identified one reportable segment "Iron and Steel" based on the information reviewed by the CODM.

(xxvi) Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

(xxvii) Revenue from contract with customer
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.
As per Ind AS 115, we apply the five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer.

Sale of Products
Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 45 to 60 days upon delivery.
Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement
In accordance with Schedule III to the Companies Act, 2013, Sales for the period 1 April to 30 June 2017 in the previous year were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements.
Receivable on account of interest from dealers on delayed payment are accounted for to the extent the Group is reasonably certain of their ultimate collection.

Interest Income
For all debt instruments measured at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income
Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.
Rendering of Service
Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.
Other Operating Revenue
Export incentive and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

2. Changes in accounting policies and disclosures

New and amended standards
The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.
Several other amendments and interpretations apply for the first time, but do not have an impact on the Restated Consolidated Financial Information of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted Ind AS 115 using the modified retrospective method of adoption.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the Restated Ind AS Consolidated Summary Statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations
The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 40 Transfers of Investment Property
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.
These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 19 Employee Benefits
In order to provide useful information to the users and enhance the understandability of financial statements, the change to the standard requires that on amendment, curtailment or settlement of a defined benefit plan, entities should:
– Update actuarial assumptions to those used to remeasure the net defined benefit liability (asset), and
– Use the updated assumptions and the revised net defined benefit liability (asset) to determine the current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).
The amendment clarifies that entities should disregard the asset ceiling when determining the past service cost on plan amendment or curtailment, or the gain or loss on settlement of the plan, and recognise the past service cost or the gain or loss in the statement of profit and loss. Subsequently, the effect of the asset ceiling should be recognised in other comprehensive income.
These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 28 Investment in Associate and Joint Ventures

The amendments to Ind AS 28 clarify that the accounting for losses allocated to long-term interests would involve the dual application of Ind AS 28 and Ind AS 109. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 109 Financial Instruments

The amendment carries an exception to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:
• Have a prepayment feature which results in a negative compensation
• Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
• The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.
These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 103 Business Combinations and Ind AS 111 Joint Arrangements

A new paragraph 42A to Ind AS 103 has been added to clarify that when an entity obtains control of a business that is a joint operation, then the acquirer would remeasure its previously held interest in that business. Such a transaction would be considered as a business combination achieved in stages and accounted for on that basis. Further, paragraph B33CA has been added to Ind AS 111 to clarify that if a party that participates in a joint operation, but does not have joint control, obtains joint control over the joint operation (which constitutes a business as defined in Ind AS 103), it would not be required to remeasure its previously held interests in the joint operation. The amendment points out that although such a transaction changed the nature of the entity's interest in the joint operation, it did not result in a change in the group boundaries. Consequently, no remeasurement of previously held interests would be required. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 23 Borrowing Costs

The amendment clarifies that in computing the capitalisation rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.
These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 12 Income Taxes – Annual Improvements

Paragraph 12 of Ind AS 12 provides guidance on recognition of income tax assets and liabilities. It requires entities to recognise a current tax liability for taxes pertaining to the current and prior periods, to the extent they are unpaid and to recognise an asset if the taxes paid in respect of the current and prior periods exceed the amounts due for those periods, to the extent of such excess amounts paid. However, sometimes it is unclear on how tax law applies to a particular transaction or circumstance. Since interpreting areas of uncertainty in tax law can be complex, entities have adopted different approaches for recognising tax liabilities and assets. This has resulted in diversity in practice for the recognition and measurement of a tax liability or asset in the financial statements of entities. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Annexure V (Continued)
Summary Statement of Significant Accounting Policies (Continued)

Inserted Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments
Appendix C to Ind AS 12 (Appendix C) seeks to bring clarity to the accounting for uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect it in the measurement of current and deferred taxes.
These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's Restated Ind AS Consolidated Summary Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.
Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 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.
Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116
The Group plans to adopt Ind AS 116 retrospectively to each prior reporting period presented. The Group will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.
The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. These amendments do not have any impact on our Restated Consolidated Financial Information.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information

Note 1: Property, plant and equipment and Capital work-in -progress

Reconciliation of carrying amount **(Rs. in Million)**

	Freehold land	**Leasehold land**	**Buildings**	**Plant and equipment (including electrical installations)**	**Office equipments**	**Furniture and fixtures**	**Computers**	**Vehicles**	**Total (A)**
Cost or deemed cost (gross carrying amount)									
Balance as at 1 April 2015 - Proforma	616.61	100.77	1,093.86	4,066.33	11.44	5.90	7.61	32.38	5,934.90
Additions during the year	3.82	-	70.21	237.23	2.78	2.08	1.43	23.58	341.13
Disposals/ discard during the year	-	-	-	-	-	-	-	1.02	1.02
Balance as at 31 March 2016 - Proforma	**620.43**	**100.77**	**1,164.07**	**4,303.56**	**14.22**	**7.98**	**9.04**	**54.94**	**6,275.01**
Balance as at 1 April 2016	620.43	100.77	1,164.07	4,303.56	14.22	7.98	9.04	54.94	6,275.01
Additions during the year	10.48	-	33.12	149.21	3.94	0.73	5.22	14.69	217.39
Disposals/ discard during the year	-	-	-	-	-	-	-	0.70	0.70
Balance as at 31 March 2017 - Proforma	**630.91**	**100.77**	**1,197.19**	**4,452.77**	**18.16**	**8.71**	**14.26**	**68.93**	**6,491.70**
Balance as at 31 March 2017 - Proforma	630.91	100.77	1,197.19	4,452.77	18.16	8.71	14.26	68.93	6,491.70
Impact of Ind AS adjustments for earlier years on reserves (Refer Annexure VII)	83.27	-	(90.77)	(1,502.88)	(7.00)	(3.26)	(7.22)	(18.44)	(1,546.30)
Balance as at 1 April 2017	714.18	100.77	1,106.42	2,949.89	11.16	5.45	7.04	50.49	4,945.40
Additions during the year	8.41	-	44.82	194.17	5.26	4.46	6.73	50.85	314.70
Disposals/ discard during the year	-	-	-	3.48	-	-	-	0.62	4.10
Other adjustment - borrowing cost	-	-	-	0.60	-	-	-	-	0.60
Balance as at 31 March 2018	**722.59**	**100.77**	**1,151.24**	**3,141.18**	**16.42**	**9.91**	**13.77**	**100.72**	**5,256.60**
Balance as at 1 April 2018	722.59	100.77	1,151.24	3,141.18	16.42	9.91	13.77	100.72	5,256.60
Additions during the period	14.06	-	167.11	663.23	7.88	4.28	6.26	25.71	888.53
Disposals/ discard during the period	-	-	-	5.00	-	-	-	1.97	6.97
Balance as at 31 December 2018	**736.65**	**100.77**	**1,318.35**	**3,799.41**	**24.30**	**14.19**	**20.03**	**124.46**	**6,138.16**

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 1: Property, plant and equipment and capital work-in-progress (Continued)

A. Reconciliation of carrying amount (Continued)

(Rs. in Million)

	Freehold land	Leasehold land	Buildings	Plant and equipment (including electrical installations)	Office equipments	Furniture and fittings	Computers	Vehicles	Total (A)
Accumulated depreciation									
Balance as at 1 April 2015 - Proforma	-	0.46	-	-	-	-	-	-	0.46
Charge for the year	-	0.46	44.38	757.08	3.37	1.17	3.15	6.48	816.09
Disposals/ discard during the year	-	-	(4.12)	(13.69)	-	(0.01)	-	0.23	(17.59)
Balance as at 31 March 2016 - Proforma	**-**	**0.92**	**48.50**	**770.77**	**3.37**	**1.18**	**3.15**	**6.25**	**834.14**
Accumulated depreciation									
Balance as at 1 April 2016	-	0.92	48.50	770.77	3.37	1.18	3.15	6.25	834.14
Charge for the year	-	0.46	46.47	763.23	3.43	1.32	3.87	8.21	826.99
Disposals/ discard during the year	-	-	-	-	-	-	-	0.35	0.35
Balance as at 31 March 2017 - Proforma	**-**	**1.38**	**94.97**	**1,534.00**	**6.80**	**2.50**	**7.02**	**14.11**	**1,660.78**
Balance as at 31 March 2017 - Proforma	-	1.38	94.97	1,534.00	6.80	2.50	7.02	14.11	1,660.78
Impact of Ind AS adjustments for earlier years on reserves (Refer Annexure VII)	-	-	(94.97)	(1,534.00)	(6.80)	(2.50)	(7.02)	(14.11)	(1,659.40)
Balance as at 1 April 2017	-	1.38	-	-	-	-	-	-	1.38
Charge for the year	-	0.46	47.42	518.01	3.69	1.41	3.55	11.65	586.19
Disposals/ discard during the year	-	-	-	0.30	-	-	-	0.04	0.34
Balance as at 31 March 2018	**-**	**1.84**	**47.42**	**517.71**	**3.69**	**1.41**	**3.55**	**11.61**	**587.23**
Balance as at 1 April 2018	**-**	**1.84**	**47.42**	**517.71**	**3.69**	**1.41**	**3.55**	**11.61**	**587.23**
Charge for the period	**-**	**0.34**	**39.51**	**284.00**	**3.39**	**0.72**	**3.55**	**10.72**	**342.23**
Disposals/ discard during the period	-	**-**	**-**	**1.01**	**-**	**-**	**-**	**0.34**	**1.35**
Balance as at 31 December 2018	**-**	**2.18**	**86.93**	**800.70**	**7.08**	**2.13**	**7.10**	**21.99**	**928.11**
Net Carrying amount									
As at 1 April 2015 - Proforma	616.61	100.31	1,093.86	4,066.33	11.44	5.90	7.61	32.38	5,934.44
As at 31 March 2016 - Proforma	620.43	99.85	1,115.57	3,532.79	10.85	6.80	5.89	48.69	5,440.87
As at 31 March 2017 - Proforma	630.91	99.39	1,102.22	2,918.77	11.36	6.21	7.24	54.82	4,830.92
As at 31 March 2018	722.59	98.93	1,103.82	2,623.47	12.73	8.50	10.22	89.11	4,669.37
As at 31 December 2018	**736.65**	**98.59**	**1,231.42**	**2,998.71**	**17.22**	**12.06**	**12.93**	**102.47**	**5,210.05**

Notes:

1) The Group has elected the option to use the fair value of property, plant and equipment to be the net carrying value of all its property, plant and equipment (PPE) on 1 April 2017. While preparing Proforma Restated Consolidated Finanical Infirmation for the year ended 31 March 2017 and 31 March 2016, the Group has opted the same accounting policy as adopted on transition date.

2) Refer note 35 for information on carrying amount of property, plant and equipment pledged as securities for borrowings.

3) Borrowing cost capitalised **Rs Nil** (31 March 2018: Rs 0.60 million, 31 March 2017: Rs Nil, 31 March 2016: Rs Nil)

Capital work-in-progress	**As at 31 December 2018**	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Balance as at beginning of the period/year	**630.25**	163.49	64.45	50.85
Additions during the period/year	**343.33**	670.40	227.19	284.74
Transfer to Property, plant and equipment	**(783.70)**	(203.64)	(128.15)	(271.14)
Balance as at end of the period/year	**189.88**	**630.25**	**163.49**	**64.45**

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 2: Other Intangible assets

(Rs. in Million)

Computer Software	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Gross block (Carrying amount)				
Balance as at beginning of the period/year	**7.07**	1.79	0.95	0.51
Additions during the period/year	**8.97**	5.28	0.84	0.44
Disposals/discard during the period/year	**-**	-	-	-
Balance as at end of the period/year	**16.04**	7.07	1.79	0.95
Amortisation				
Balance as at beginning of the period/year	**0.92**	0.55	0.22	-
Amortisation for the period/year	**1.92**	0.37	0.33	0.22
Disposals/discard during the period/year	**-**	-	-	-
Balance as at end of the period/year	**2.84**	0.92	0.55	0.22
Net carrying amount as at end of the period/year	**13.20**	6.15	1.24	0.73

The Group has elected the option to take the previous GAAP carrying amount of intangible assets as at 1 April 2017. While preparing Proforma Restated Consolidated Information for the year ended 31 March 2017 and 31 March 2016, the Group has applied the same accounting policy as adopted on the transition date.

Note 3: Investment property

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Carrying amount at the beginning of the period/year				
Opening gross carrying amount/ deemed cost (carried at cost)	**16.59**	13.27	12.71	-
Additions	**-**	3.32	0.56	-
Disposal	**(6.14)**	-	-	-
Carrying amount at the end of the period/year	**10.45**	16.59	13.27	-

The fair value of the Groups Investment property as at 31 December 2018; 31 March 2018; 31 March 2017 and 31 March 2016 are **Rs 12.40 million**, Rs 25.00 million, Rs 18.10 million and Rs Nil respectively. The fair value has been arrived on the basis of valuation performed by an independent valuer.

Present market value is considered on the basis of market comparison method on fair market value basis. Rates of the similar comparable land in that locality are collected from local survey. The market rates so obtained from the local survey is compared with the government rates.

The Group has not recognised any income or expenditure in relation to the Investment property in the Restated Consolidated Summary Statement of Profit and Loss.

Note 4: Non-current investments

(Rs. in Million)

	31 December 2018		31 March 2018		31 March 2017 (Proforma)		31 March 2016 (Proforma)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Investment in Government Securities								
5-Year National Savings Certificate - VIII issue (face value- Rs 10,000 each)	**9.00**	**0.09**	9.00	0.09	9.00	0.09	9.00	0.09
5-Year National Savings Certificate - VIII issue (face value of Rs 50,000 each)	**2.00**	**0.10**	-	-	-	-	-	-
Total (A)		**0.19**		0.09		0.09		0.09
Investment in quoted tax free bonds								
8.67% Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debenture Series (16 November 2033) (face value of Rs 1,000 each)	**985.00**	**1.18**	985.00	1.22	1,220.00	1.50	-	-
Total (B)		**1.18**		1.22		1.50		-
Total non-current investments (A+B)		**1.37**		1.31		1.59		0.09
Aggregate book value of the quoted investments		**1.18**		1.22		1.50		-
Aggregate market value of the quoted investments		**1.18**		1.22		1.50		-
Aggregate book value of the unquoted investments		**0.19**		0.09		0.09		0.09
Aggregate amount of impairment in value of investments		**-**		-		-		-
Investment carried at amortised cost		**0.19**		0.09		0.09		0.09
Investment carried at Fair value through profit and loss		**1.18**		1.22		1.50		-

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 5: Loans

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non -current				
Unsecured -considered good				
-Security deposits	**44.08**	73.31	17.59	20.81
-Loan to employees	**0.03**	-	-	-
Unsecured -significant increase in credit risk	-	-	-	-
Unsecured- credit impaired	-	-	-	-
Provision for debts having significant increase in credit risk	-	-	-	-
Provision for bad debts which are credit impaired	-	-	-	-
Total (A)	**44.11**	73.31	17.59	20.81
Current				
Unsecured -considered good				
-Security deposits	**60.59**	86.17	65.80	59.50
-Loan to employees	**3.98**	1.25	0.23	0.44
Unsecured -significant increase in credit risk	-	-	-	-
Unsecured- credit impaired	-	-	-	-
Provision for debts having significant increase in credit risk	-	-	-	-
Provision for bad debts which are credit impaired	-	-	-	-
Total (B)	**64.57**	87.42	66.03	59.94
Total(A+B)	**108.68**	160.73	83.62	80.75

Loans to related parties have been disclosed in note 37.

Note 6: Other financial assets

(Unsecured, considered good unless otherwise stated) **(Rs. in Million)**

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non -current				
Bank deposits (due to mature after 12 months from the reporting date)*	**35.26**	1.54	12.31	15.26
Interest accrued on deposits	**1.50**	0.11	2.69	1.93
Total (A)	**36.76**	1.65	15.00	17.19
Current				
Interest accrued on fixed deposits	**1.39**	0.83	3.05	8.91
Government grant receivable	**68.18**	68.18	212.12	255.40
Export incentive receivable	**118.54**	81.34	38.21	6.47
Interest receivable from customers	**0.79**	-	1.30	0.22
Derivative assets	**5.81**	-	-	-
Other receivables	**7.10**	10.74	7.10	-
Total (B)	**201.81**	161.09	261.78	271.00
Total(A+B)	**238.57**	162.74	276.78	288.19

*Held as margin money against bank guarantees, letter of credits etc.

Note 7: Other assets

(Unsecured, considered good unless otherwise stated) **(Rs. in Million)**

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non -current				
Capital advances				
- To parties other than related party	**76.73**	57.57	75.29	46.80
Deposits against demand in disputes	**11.58**	11.52	-	-
Prepaid expenses	**18.50**	17.34	1.68	3.98
Total (A)	**106.81**	86.43	76.97	50.78
Current				
Advances for supply of goods and services				
To Parties other than related parties	**620.99**	427.24	1,021.20	356.47
Balances with government authorities	**74.70**	24.85	88.74	99.23
Prepaid expenses	**35.33**	27.31	3.36	4.23
Other receivables*	**265.54**	277.76	128.74	309.82
Total (B)	**996.56**	757.16	1,242.04	769.75
Total (A+B)	**1,103.37**	843.59	1,319.01	820.53

Refer note 35 for information on carrying amount of other assets pledged as securities for borrowings.

*Other receivables includes **Rs 110.49 million** (31 March 2018: Rs 110.49 million; 31 March 2017: Rs 110.49 million; 31 March 2016: Rs 293.13 million) against claim lodged by the Subsidiary Company, Shyam Steel Manufacturing Limited, for the de-allocation of Coal block as per the Hon'ble Supreme Court Order dated 24th September, 2014. The Subsidiary Company had filed dissent against the compensation allowed by the Ministry of Coal specifying the items against which compensation was not allowed. Further, Ministry of Coal vide its letter dated 1 February 2018 had asked for a revised compensation application from the Subsidiary Company, which was submitted by the Subsidiary Company of Rs. 110.49 million. Based on the merit of the matter, the management continues to believe the above amount to be good as receivable.

Note 8: Non-current tax assets (net)

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Advance income tax and tax deducted at source	**883.77**	518.31	571.22	549.16
Provision for taxation	**(855.12)**	(442.32)	(475.07)	(451.74)
	28.65	75.99	96.15	97.42

Note 9: Inventories

(Valued at the lower of cost and net realisable value) **(Rs. in Million)**

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Raw materials [including goods-in-transit of **Rs 72.61 million** (31 March 2018: Rs 133.51 million, 31 March 2017: Rs 2.12 million, 31 March 2016: Rs 2.12 million)]	**693.08**	1,302.73	846.79	495.49
Work in progress	**290.19**	126.26	316.39	190.11
Finished goods [including goods-in-transit of **Rs 135.10 million** (31 March 2018: Rs 106.96 million, 31 March 2017: Rs 9.93 million, 31 March 2016: Rs 5.41 million)]	**528.05**	352.66	119.13	89.27
Stock-in-trade [including goods-in-transit of **Rs 32.34 million** (31 March 2018: Rs 25.97 million, 31 March 2017: Rs Nil, 31 March 2016: Nil)]	**258.94**	41.54	0.11	0.11
Stores and spares [including goods-in-transit of **Rs 0.63 million** (31 March 2018: Rs 0.41 million, 31 March 2017: Nil, 31 March 2016: Nil)]	**224.48**	191.47	146.16	141.42
	1,994.74	2,014.66	1,428.58	916.40

Refer note 35 for information on carrying amount of inventory pledged as securities for borrowings.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 10: Current investments

(Rs. in Million)

	31 December 2018		31 March 2018		31 March 2017 (Proforma)		31 March 2016 (Proforma)	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Current								
Investments in tax free bonds								
India Infrastructure Finance Company Limited 7.36% Tax Free Redeemable Non-Convertible Bonds - 2028 (face value - Rs 1000 each)	-	-	-	-	50,000	54.35	-	-
Power Finance Company Limited 7.27% Tax Free Redeemable Non-Convertible Bonds - 2030 (face value - Rs 1000 each)	-	-	-	-	21,697	23.76	-	-
8.67% Tax Free Redeemable Non-Convertible Bonds - 2033 (face value - Rs 1000 each)	-	-	-	-	45,840	56.52	-	-
Housing & Urban Development Corporation Ltd-Tranch II 7.39% Tax Free Redeemable Non-Convertible Bonds - 2031 (face value - Rs 1000 each)	-	-	-	-	25,380	27.96	100,000	103.30
National Bank For Agriculture & Rural Development								
7.64% Tax Free Redeemable Non Convertible Bonds - 2031 (face value - Rs 1000 each) SR IIB	-	-	-	-	-	-	100,000	102.38
National Highways Authority of India 8.75% (For Category IV) Tax Free Redeemable Bonds - 2029 (face value - Rs 1000 each) SR IIA	-	-	-	-	-	-	14,285	14.87
Investment in Mutual funds - quoted								
Kotak Fixed Maturity Plan series 221-1140 days of Rs 10 each	**5,500,000**	**57.73**	5,500,000	55.00	-	-	-	-
ICICI Fixed Maturity Plan 82-1135 PLAN U of Rs 10 each	**5,500,000**	**57.68**	5,500,000	55.16	-	-	-	-
ICICI Fixed Maturity Plan 82-1170 PLAN R of Rs 10 each	**3,500,000**	**36.61**	3,500,000	35.01	-	-	-	-
Reliance Fixed Horizon Fund-XXXVI-Series 8 of Rs 10 each	**5,500,000**	**57.54**	5,500,000	55.25	-	-	-	-
Reliance Fixed Horizon Fund-XXXVI-Series 9 of Rs 10 each	**3,500,000**	**36.54**	3,500,000	35.06	-	-	-	-
UTI Fixed Term Income Fund Series XXVIII-XIII of Rs 10 each	**5,500,000**	**57.28**	5,500,000	55.17	-	-	-	-
Kotak Floater Short term - Direct Plan - Growth	**-**	**-**	11,116	0.31	31,719	0.84	16.66	0.05
Kotak Liquid Direct Plan Growth of Rs 10 each	**133**	**0.50**	-	-	-	-	-	-
Kotak Liquid Plan A of Rs 10 each	**-**	**-**	-	-	-	-	581	1.79
Kotak Low Duration fund of Rs 10 each	-	-	111	0.24	174	0.35	-	-
Kotak Equity Arbitrage Fund - Direct Plan -Fortnight Dividend of Rs. 10 each	**8,490,983**	**200.04**	-	-	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend of Rs. 10 each	**13,810,303**	**199.16**	-	-	-	-	-	-
Reliance Arbitrage Fund - Direct Monthly Dividend Plan Dividend Payout of Rs. 10 each	**18,212,104**	**199.65**	-	-	-	-	-	-
ABSL Liquid Fund - Growth direct of Rs 100 each	**678,464**	**200.18**	-	-	-	-	-	-
HDFC Liquid Fund Direct Plan Growth Option of Rs 1,000 each	**41,553**	**150.14**	-	-	-	-	-	-
Reliance Liquid Fund Direct Plan Growth Option of Rs 1000 each	**11,164**	**50.01**	-	-	-	-	-	-
SBI Liquid Fund Direct Plan Growth Option of Rs 1000 each	**17,404**	**50.05**	-	-	-	-	-	-
UTI Liquid Cash Plan Direct Growth Plan of Rs 1000 each	**33,304**	**100.10**	-	-	-	-	-	-
Investment in debentures - unquoted								
9% Non Convertible Debentures in Shyamsree Infrastructure Private Limited (face value - Rs 100 each, fully paid up)	**600,000**	**60.00**	600,000	60.00	-	-	-	-
Total current investments		**1,513.21**		351.20		163.78		222.39
Aggregate book value of the unquoted investments		**60.00**		60.00		-		-
Aggregate book value of the quoted investments		**1,453.21**		291.20		163.78		222.39
Aggregate market value of the quoted investments		**1,453.21**		291.20		163.78		222.39
Aggregate amount of impairment in investments		**-**		-		-		-
Investment carried at amortised cost		**60.00**		60.00		-		-
Investment carried at Fair value through profit and loss		**1,453.21**		291.20		163.78		222.39
Refer note 35 for information on carrying amount of investment pledged as securities for borrowings.								

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 11: Trade receivables

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Secured - considered good	**488.53**	439.86	194.95	174.51
Unsecured -considered good	**2,115.38**	1,996.74	1,414.71	1,482.53
	2,603.91	2,436.60	1,609.66	1,657.04
Provision for impairment	**(65.97)**	(15.84)	(6.82)	(14.23)
Trade receivables	**2,537.94**	2,420.76	1,602.84	1,642.81

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Information about the Group's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 40.

Trade receivable are hypothecated against borrowings, refer note 35.

Note 12: Cash and cash equivalents

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Balances with banks				
-on current accounts	**63.86**	38.32	28.99	17.83
-Cheques and draft on hand	**50.97**	-	-	-
In fixed deposit with original maturity of less than three months	**-**	-	-	0.73
Cash on hand	**10.59**	7.98	4.31	13.47
	125.42	46.30	33.30	32.03

Note 13: Other bank balances

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
- Balances with banks on deposits accounts (with original maturity of more than 3 months but less than 12 months of reporting date)*	**109.48**	107.13	148.16	114.15
	109.48	107.13	148.16	114.15

*Bank deposits includes fixed deposit account of **Rs 3.21 million** (31 March 2018: Rs 3.08 million; 31 March 2017: Rs 10.71 million; 31 March 2016: Rs 10.71 million) held for the purpose of mine closure plan as an escrow account (refer note 18) and the same is not available for the business of the Subsidiary Company, Shyam Steel Manufacturing Limited. The balance amount of fixed deposits is held as margin money against bank guarantees, letter of credits etc which is also not available for use.

Note 14: Equity share capital

(a) Details of authorised, issued, subscribed and fully paid up share capital:

(Rs. in Million except per share data)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Authorised share capital*				
8,000,000 (31 March 2018: 8,000,000, 31 March 2017: 8,000,000, 31 March 2016: 8,000,000) equity shares of Rs 10 each	**80.00**	80.00	80.00	80.00
2,000,000 (31 March 2018: 2,000,000, 31 March 2017: 2,000,000, 31 March 2016: 2,000,000) preference shares of Rs 10 each	**20.00**	20.00	20.00	20.00
Total	**100.00**	100.00	100.00	100.00
Issued share capital				
6,200,000 (31 March 2018: 6,200,000 ; 31 March 2017: 6,200,000 ; 31 March 2016: 6,500,000 equity shares of Rs 10 each)	**62.00**	62.00	62.00	65.00
Total	**62.00**	62.00	62.00	65.00
Subscribed and fully paid up share capital				
6,200,000 (31 March 2018: 6,200,000 ; 31 March 2017: 6,200,000 ; 31 March 2016: 6,500,000 equity shares of Rs 10 each)	**62.00**	62.00	62.00	65.00
Total	**62.00**	62.00	62.00	65.00

* Refer note 14 (f)

(b) Terms/ rights attached to equity shares:

The Holding Company, Shyam Steel Industries Limited has a single class of equity shares with par value of Rs 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of paid-up equity share capital of the Holding Company. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period/ year:

	31 December 2018		31 March 2018	
	Number of equity shares	Amount	Number of equity shares	Amount
Equity share				
At the beginning of the period/year	**6,200,000**	**62.00**	6,200,000	62.00
Outstanding at the end of the period/year	**6,200,000**	**62.00**	6,200,000	62.00

	31 March 2017 (Proforma)		31 March 2016 (Proforma)	
	Number of equity shares	Amount	Number of equity shares	Amount
Equity share				
At the commencement of the period/year	6,500,000	65.00	6,500,000	65.00
Buyback of equity shares during the period/year	(300,000)	(3.00)	-	-
Outstanding at the end of the period/year	6,200,000	62.00	6,500,000	65.00

(d) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Group:

Name of equity shareholder	31 December 2018		31 March 2018	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Bina Beriwala	**639,450**	**10.31%**	639,450	10.31%
Jyoti Beriwal	**473,850**	**7.64%**	473,850	7.64%
Trumax Ispat Private Limited	**525,000**	**8.47%**	525,000	8.47%
Yashashvi Securities Private Limited	**409,660**	**6.61%**	409,660	6.61%
Brijesh Beriwala	**537,500**	**8.67%**	537,500	8.67%
Manish Beriwala	**562,400**	**9.07%**	562,400	9.07%
Ravi Beriwala	**317,550**	**5.12%**	317,550	5.12%
Shyam Sunder Beriwala	**408,600**	**6.59%**	408,600	6.59%
Lalit Beriwala	**312,650**	**5.04%**	312,650	5.04%

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 14: Equity share capital (Continued)

Name of equity shareholder	31 March 2017 (Proforma)		31 March 2016 (Proforma)	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Trumax Ispat Private Limited	525,000	8.47%	525,000	8.08%
Yashashvi Securities Private Limited	409,660	6.61%	484,000	7.45%
Govind Beriwala HUF	363,550	5.86%	363,550	5.59%
Purushottam Beriwala HUF	358,450	5.78%	358,450	5.51%
Brijesh Beriwala	318,050	5.13%	-	-
Manish Beriwala	317,850	5.13%	-	-
Ravi Beriwala	317,550	5.12%	-	-
Shyam Sunder Beriwala	317,100	5.11%	-	-
Lalit Beriwala	312,650	5.04%	-	-

(e) Aggregate number of equity shares bought back in the period of five years immediately preceding the reporting date:

Pursuant to the resolution approved by the Board of Directors of the Holding Company, Shyam Steel Industries Limited on 5 September 2016, 300,000 equity shares of Rs 10 each at a premium of Rs 490/share were extinguished on buy-back of equity share by the Holding Company. The above had resulted in a total cash outflow of Rs 150.00 million. In line with the requirements of the Companies Act, 2013, an amount of Rs 147.00 million was utilised from Securities premium. Further, Capital redemption reserve of Rs 3.00 million (representing the nominal value of equity shares bought back) was created as an apportionment from Securities premium. Consequent to such buyback, the equity share capital was reduced by Rs 3.00 million.

(f) Aggregate number of bonus shares issued, equity shares issued for consideration other than cash:

Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) of the Holding Company, Shyam Steel Industries Limited held on 15 March 2019, the Shareholders approved alteration of the Memorandum of Association by increasing the authorised share capital from 10,000,000 (10 million) equity shares of Rs 10 each to 70,000,000 (70 million) equity shares of Rs 10 each.

Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) of the Holding Company, Shyam Steel Industries Limited held on 15 March 2019, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 9:1 i.e. nine bonus equity shares for one existing equity shares. Further in the same meeting, the preference share capital (Authorised) of the Company was reclassified into equity share capital. Refer Note 48 for further details.

Note 15: Other equity

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Capital reserve on consolidation	**304.90**	304.90	511.29	511.36
Capital reserve	**4.20**	4.20	4.20	4.20
Capital redemption reserve	**3.00**	3.00	3.00	-
Securities premium	**747.82**	747.82	747.82	897.82
Retained earnings	**5,835.95**	4,520.10	3,244.09	2,807.31
Total	**6,895.87**	5,580.02	4,510.40	4,220.69

Movement in balances of Other equity:	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Capital reserve on consolidation				
Balance at the beginning of the period/year	**304.90**	511.29	511.36	381.61
Movement during the year	**-**	(206.39)	(0.07)	129.75
Balance at the end of the period/year	**304.90**	304.90	511.29	511.36
Capital redemption reserve				
Balance at the beginning of the period/year	**3.00**	3.00	-	-
Movement during the year	**-**	-	3.00	-
Balance at the end of the period/year	**3.00**	3.00	3.00	-
Securities premium				
Balance at the beginning of the period/year	**747.82**	747.82	897.82	897.82
Movement during the year	**-**	-	(150.00)	-
Balance at the end of the period/year	**747.82**	747.82	747.82	897.82
Retained earnings				
Balance at the beginning of the period/year	**4,520.10**	3,244.09	2,807.31	2,737.89
Profit for the period/year	**1,313.49**	1,093.01	443.63	71.10
Other comprehensive income	**2.36**	(13.95)	(6.85)	(1.68)
Impact of Ind AS adjustments for earlier years on reserves (Refer Annexure VII)	**-**	196.95	-	-
Balance at the end of the period/year	**5,835.95**	4,520.10	3,244.09	2,807.31

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 16: Borrowings

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
(Measured at amortised cost)				
Non -current				
Term loans				
From banks:				
Rupee loans	**585.78**	797.16	510.60	660.56
Foreign currency loans	**-**	179.61	496.75	668.55
Loan against vehicles	**2.55**	4.02	0.98	5.65
From others:				
Rupee loans	**-**	-	80.00	80.00
Finance lease obligation	**4.82**	4.82	4.82	4.82
	593.15	985.61	1,093.15	1,419.58
Unamortised upfront fees on borrowing	**(4.88)**	(6.51)	(5.69)	(6.60)
Total	**588.27**	979.10	1,087.46	1,412.98
Amount shown under other financial liabilities (refer note 17)	**85.31**	200.01	455.80	436.64
Total	**502.96**	779.09	631.66	976.34
Break up of security details				
Secured	**583.45**	974.28	1,002.64	1,328.16
Unsecured	**4.82**	4.82	84.82	84.82
Total	**588.27**	979.10	1,087.46	1,412.98
Current borrowings				
Loans repayable on demand				
Rupee loan	**1,772.58**	1,225.45	1,423.28	1,543.48
Foreign currency loan	**4.50**	415.55	654.83	33.20
Other loans				
From body corporates	**79.70**	120.50	69.73	67.53
From related parties	**-**	7.82	11.17	9.43
	1,856.78	1,769.32	2,159.01	1,653.64
Break up of security details				
Secured	**1,777.08**	1,641.00	2,078.12	1,576.68
Unsecured	**79.70**	128.32	80.90	76.96
Total	**1,856.78**	1,769.32	2,159.02	1,653.64

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 16: Borrowings (Continued)

Terms of repayment:

Name of the bank	Date of repayment	Rate of interest	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Indian Overseas Bank [(refer note B(i)]	Repaid in April 2017	Base Rate + 4.00% p.a.	-	-	120.00	220.00
State Bank of India (refer note B(ii))	Repaid in April 2018	Marginal Cost of Fund based Lending Rate (MCLR)+ 1.80% p.a.	-	0.34	69.36	-
State Bank of India [refer note B(v)]	Repaid in April 2018	1 year MCLR + 2.1% p.a.	-	147.00	1.45	2.41
State Bank of India [refer note B(v)]	Repaid in April 2018	1 year MCLR + 1.85% p.a.	-	46.95	1.15	11.67
Oriental Bank of Commerce [refer note B(v)]	Repaid in June 2018	1 year MCLR+ 0.75% p.a.	-	29.52	38.64	47.73
Punjab National Bank [refer note B(v)]	Repaid in June 2018	5 year MCLR+ 2.10% p.a.	-	52.80	0.64	70.00
Allahabad Bank [refer note B(v)]	Repayable at quarterly rest 14 of Rs 7.1 million 1 of Rs 1.3 million	3 year MCLR+ 0.25% p.a.	**100.74**	129.64	157.55	157.55
Allahabad Bank [refer note B(v)]	Repayable at quarterly rest 8 of Rs 6 million	3 year MCLR+ 0.25% p.a.	**48.00**	72.00	90.00	-
State Bank of India [refer note B(v)]	Repayable at quarterly rest beginning from July 2019 3 of Rs 7.5 million 4 of Rs 11.20 million 8 of Rs 16.80 million 3 of Rs 18.5 million	1 year MCLR+ 0.80% p.a.	**258.93**	228.15	-	-
Allahabad Bank [refer note B(v)]	Repayable at quarterly rest beginning from July 2019 22 of Rs 5.20 million 1 of Rs 5.60 million	3 year MCLR+ 0.25% p.a.	**119.74**	90.00	-	-
Union Bank of India	Repayable in 9 quarterly equal instalments of Rs 2.27 million	1 year MCLR+ 0.8% p.a.	**20.46**	-	-	-
Union Bank of India	Repayable at quarterly rest beginning from July 2019 4 of Rs 3.75 million 6 of Rs 3.80 million	1 year MCLR+ 0.8% p.a.	**37.80**	-	-	-
State Bank of India [refer note B(v)]	Repaid on 15 July 2017	1 year MCLR+ 1.85% p.a.	-	-	-	-
Oriental Bank of commerce [refer note B(v)]	Repaid on 12 April 2017	Base rate + 1.35% p.a.	-	-	10.49	49.70
State Bank of India [refer note B(v)]	Repaid on 13 April 2017	1 year MCLR+ 3.75% p.a.	-	-	20.27	100.94
Loans against vehicles [refer note B(iv)].	Repayable by way of equal 25 monthly instalments of Rs 0.18 million	8.5% p.a.	**2.66** -	4.02 -	0.98 -	4.87 -
State Bank of India [(refer note B(iii)] [USD 0.75 million (previous year: USD 1.13 million)]	Repayable at quarterly rest 7 of Rs 6.86 million	6 Month LIBOR +3.00% p.a.	-	49.02	74.05	109.42
State Bank of India [(refer note B(iii)] [USD 0.75 million (previous year: USD 1.14 million)]	Repaid in May 2018	6 Month LIBOR +3.00% p.a.	-	49.10	74.58	109.09
State Bank of India [(refer note B(ii)] [USD 1.25 million (previous year: USD Nil)]	Repaid in August 2018	6 Month LIBOR +3.25% p.a.	-	82.25	-	-
State Bank of India [refer note B(v)]	Repaid in December 2016	LIBOR+ 4%	-	-	-	50.08
State Bank of India [refer note B(v)]	Repaid in June 2017	LIBOR+ 4%	-	-	43.93	200.84
State Bank of India [refer note B(v)]	Repaid in November 2017	LIBOR+ 4%	-	-	180.86	147.90
State Bank of India [refer note B(v)]	Repaid in November 2017	LIBOR+ 4%	-	-	58.78	52.56
Punjab National Bank [refer note B(v)]	Repaid in February 2018	LIBOR+ 4%	-	-	65.60	-
Inter Corporate Loan (refer note no B(vii)	Repaid in December 2017	0 to 9.50%	-	-	80.00	80.00
Finance lease obligations	-	-	**4.82**	4.82	4.82	4.82
			593.15	985.61	1,093.15	1,419.58

Note 16: Borrowings (Continued)

B Details of security

(i) The loan is secured by first charge on entire Property, plant and equipment of the Holding Company, Shyam Steel Industries Limited both present and future on pari passu basis.

(ii)The loan is secured by (a) equitable mortgage of leasehold land measuring 20 acres at Mouza Raturia and building and structures thereon on pari passu basis. (b) by first charge on plant and machinery, furniture and fixtures and other Property, plant and equipment (other than captive power plant) of the Angadpur unit on pari passu basis, (c) the second charge on the entire current assets of the Holding Company Shyam Steel Industries Limited on pari passu basis, (d) personal guarantees by Mr. Purushottam Beriwala, Mr. Ravi Beriwala, Mr. Lalit Beriwala and Mr.Govind Beriwal, the promoters of the Holding Company and (e) Mr. Purushottam Beriwala, Mr. Ravi Beriwala, Mr. Lalit Beriwala, Mr.Govind Beriwal, Mr. Brijesh Beriwala, Mr. Manish Beriwala and Mr. Shyam Sunder Beriwala, the promoters of the Holding Company and their relatives have pledged **677,790** (31 March 2018: 677,790 ; 31 March 2017: 677,790 ; 31 March 2016: 677,790) equity shares which has since been released.

(iii)The loan is secured by (a) equitable mortgage of leasehold land measuring 20 acres at Mouza Raturia and building and structures thereon on pari passu basis. (b) by first charge on plant and machinery, furniture and fixtures and other Property, plant and equipment of the captive power plant of the Angadpur unit on pari passu basis, (c) the second charge on the entire current assets of the Holding Company, Shyam Steel Industries Limited on pari passu basis, (d) personal guarantees by Mr. Purushottam Beriwala, Mr. Ravi Beriwala, Mr. Lalit Beriwala and Mr.Govind Beriwal, the promoters of the Company and (e) Mr. Purushottam Beriwala, Mr. Ravi Beriwala, Mr. Lalit Beriwala, Mr.Govind Beriwal, Mr. Brijesh Beriwala, Mr. Manish Beriwala and Mr. Shyam Sunder Beriwala, the promoters of the Holding Company and their have pledged **677,790** (31 March 2018: 677,790 ; 31 March 2017: 677,790 ; 31 March 2016: 677,790) equity shares which has since been released.

(iv) Vehicle loans are secured by way of hypothecation of the underlying asset financed.

(v) Pari passu first charge of the entire property, plant and equipment and second pari passu charge of the entire current assets of the Subsidiary Company, Shyam Steel Manufacturing Limited and personal guarantee by promoters of the Subsidiary Company as per sanction letter.

(vi) Refer note 35 for information on carrying amount of financial and non-financial assets pledged as securities for the non-current borrowings.

(vii) The unsecured loan is subordinate to term loan availed by the company and shall be repaid after the completion of the tenure of the term loan in single payment basis.

Current borrowings: Security and terms of payment

(i) Working capital borrowings from State Bank of India aggregating to **Rs 828.00 million** (31 March 2018: Rs.1,148.65 million; 31 March 2017: Rs 929.51 million; 31 March 2016 Rs. 696.50 million respectively) are secured by (a) first charge on hypothecation of current asset of the Holding Company,Shyam Steel Industries Limited, both current and future on pari passu basis, (b) second charge over all Property, plant and equipment of the Holding Company, (c) personal guarantees by Mr. Purushottam Beriwala, Mr. Ravi Beriwala, Mr. Lalit Beriwala and Mr.Govind Beriwal, the promoters of the Company and (d) Mr. Purushottam Beriwala, Mr. Ravi Beriwala, Mr. Lalit Beriwala, Mr.Govind Beriwal, Mr. Brijesh Beriwala, Mr. Manish Beriwala and Mr. Shyam Sunder Beriwala, the promoters of the Holding Company and their relatives have pledged **677,790** (31 March 2018: 677,790; 31 March 2017: 677,790) equity shares which has since been released.

(ii) Working capital borrowings from banks aggregating to **Rs Nil** (31 March 2018: Rs.27.17 million; 31 March 2017:Rs 254.2 million 31 March 2016 Rs. 340.81 million respectively) are secured by (a) first charge on hypothecation of current asset of the Holding Company, Shyam Steel Industries Limited both current and future on pari passu basis, (b) second charge over all Property, plant and equipment of the Holding Company and (c) personal guarantees by the promoters of the Holding Company.

(iii) Working capital borrowings from Union Bank of India aggregating to **Rs 99.08 million** (31 March 2018: Nil; 31 March 2017:Nil; 31 March 2016: Nil respectively)are secured by (a) first charge on hypothecation of current asset of the Holding Company, Shyam Steel Industries Limited both current and future on pari passu basis, (b) second charge over all Property, plant and equipment of the Holding Company and (c) personal guarantees by Mr. Purushottam Beriwala, and Mr. Ravi Beriwala, the promoters of the Holding Company.

(iv) Working capital borrowings from Axis Bank aggregating to **Rs 128.92 million** (31 March 2018: Nil; 31 March 2017:Nil: 31 March 2016: Nil respectively)are secured by (a) first charge on hypothecation of current asset of the Holding Company, Shyam Steel Industries Limited both current and future on pari passu basis, (b) second charge over all Property, plant and equipment of the Holding Company and (c) personal guarantees by Mr. Purushottam Beriwala, Mr. Lalit Beriwala, Mr. Govind Beriwal and Ravi Beriwala, the promoters of the Holding Company.

(v) Working capital borrowings from HDFC Bank aggregating to **Rs Nil** (31 March 2018: Rs 0.36 million; 31 March 2017: Rs 0.43 million; 31 March 2016: Rs. 16.60 millions respectively) is secured by personal guarantee by Mr Lalit Beriwala, the promoter of the Holding Company, Shyam Steel Industries Limited.

(vi) Bill discounted from the banks aggregating to **Rs Nil** (31 March 2018: Rs 35.87 million; 31 March 2017: Rs 94.80 million; 31 March 2016: Rs. 14.11 million respectively) is secured by personal guarantee by promotor of the Holding Company, Mr. Lalit Beriwala.

(vii) Foreign currency loans of the Subsidiary Company, Shyam Steel Manufacturing Limited includes **Rs 4.50 million** (31 March 2018: Rs 246.90 million; 31 March 2017: Rs. 268.50 million; 31 March 2016: Rs 33.28 million respectively) buyers' credit and PCFC loan is secured by hypothecation of: a) by first charge on entire current assets of the Subsidiary Company, Shyam Steel Manufacturing Limited on pari passu basis, b) by second charge on entire Property, plant and equipment of the Subsidiary Company on pari passu basis and personal guarantees by the promoters of the Subsidiary Company as per sanction letter, which are repayable in a single bullet at the expiry of the term of the respective loans.

(viii) Rupees loans of the Subsidiary Company, Shyam Steel Manufacturing Limited. includes **Rs 716.58 million** (31 March 2018 Rs 133.84 million;31 March 2017: Rs 530.67 million; 31 March 2016: 475.38 million respectively) which is secured by hypothecation of: a) by first charge on entire current assets of the Subsidiary Company, Shyam Steel Manufacturing Limited on pari passu basis, b) by second charge on entire Property, plant and equipment of the Subsidiary Company, Shyam Steel Manufacturing Limited. on pari passu basis and personal guarantees by the promoters of the Subsidiary Company as per sanction letter, which are repayable in a single bullet at the expiry of the term of the respective loans.

(ix) Rupees loans of the Subsidiary Company, Shyam Steel Manufacturing Limited. includes **Rs Nil** (31 March 2018 Rs 48.21 millions;31 March 2017: Nil;31 March 2016: Nil) from HDFC Bank which is secured by personal guarantee by Mr Lalit Beriwala, the promoter of the Subsidiary Company, Shyam Steel Manufacturing Limited.

(x) Working capital borrowings facilities carry interest ranging between **8% to 10% per annum** (previous year: 8% to 10% per annum) computed on a monthly basis on the amount utilised and are repayable on demand.

(xi) Refer note 35 for information on carrying amount of financial and non-financial assets pledged as securities for borrowings.

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 17: Other financial liabilities

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non - current				
Security deposits	**685.33**	526.12	304.60	294.34
Total (A)	**685.33**	526.12	304.60	294.34
Current				
Current maturities of long-term debt	**85.31**	200.01	455.80	436.64
Interest accrued but not due on borrowings	**9.35**	27.46	18.87	15.47
Security deposits	**-**	7.89	35.13	-
Employees related liabilities	**124.05**	93.50	55.79	41.19
Amount payable for capital goods	**42.78**	57.62	5.06	3.41
Derivatives liabilities	**11.00**	5.87	48.95	23.28
Liabilities for expenses	**346.96**	226.70	62.92	19.27
Other payables	**71.85**	77.74	33.09	27.97
Total (B)	**691.30**	696.79	715.61	567.23
Total(A+B)	**1,376.63**	1,222.91	1,020.21	861.57

Note 18: Provisions

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non - current				
Provision for employee benefits				
Gratuity (refer note 36)	**85.80**	74.75	39.42	22.56
Provision for mine closure*	**-**	-	10.71	10.71
Total (A)	**85.80**	74.75	50.13	33.27
Current				
Provision for employee benefits				
Gratuity (refer note 36)	**18.61**	12.44	7.41	3.90
Provision for mine closure*	**2.14**	2.14	-	-
Total (B)	**20.75**	14.58	7.41	3.90
Total (A+B)	**106.55**	89.33	57.54	37.17

Movement in Other provisions:

Movement of provisions during the year as required by Ind AS 37 “Provisions, Contingent Liabilities and Contingent Asset”

Provision for mine closure

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Opening balance	**2.14**	10.71	10.71	10.71
Provision made during the period/year	**-**	-	-	-
Provision reversed during the period/year	**-**	(8.57)	-	-
Closing balance	**2.14**	2.14	10.71	10.71

*The Subsidiary Company, Shyam Steel Manufacturing Limited, had created provision in relation to mine closure plan against the erstwhile mines at Ardhgram owned by Subsidiary Company and deposited the equivalent amount in an escrow account. However, after de-allocation of the mines as per the order of Hon'ble Supreme Court (refer note 7), the Subsidiary Company sought for the refund of the same. During the year ended 31 March 2018, 80% of the amount in escrow account had been released and the Subsidiary Company is continuing with the balance amount in escrow account as well as the provision. The Subsidiary Company expects to get the balance amount as well by the next financial year. The escrow account has been disclosed in note 13.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 19: Deferred tax liabilities (net)

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Deferred tax liabilities (A)	**924.44**	918.88	972.61	1,143.99
Deferred tax assets (B)	**411.11**	415.12	462.91	560.48
Deferred tax liability (net) (A-B)	**513.33**	503.76	509.70	583.51

Movement in deferred tax assets and liabilities **(Rs. in Million)**

	Balance as at 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Balance as at 31 December 2018
Deferred tax liabilities					
Property, plant and equipment	912.43	2.01	-	-	**914.44**
Others	6.45	3.55	-	-	**10.00**
	918.88	5.56	-	-	**924.44**
Deferred tax assets					
Provision for gratuity	26.93	5.22	(1.27)	-	**30.88**
Provision for bad and doubtful debts	5.53	17.52	-	-	**23.05**
Deferred revenue grant	12.62	(3.61)	-	-	**9.01**
Items allowed on payment basis	43.65	14.96	-	-	**58.61**
Expenditure on prospecting of certain minerals as per section 35E of the Income Tax Act 1961	26.20	(4.91)	-	-	**21.29**
MAT credit entitlement	298.15	(33.72)	-	-	**264.43**
Others	2.04	1.80	-		**3.84**
	415.12	(2.74)	(1.27)	-	**411.11**
Total		**8.30**	**1.27**	**-**	

(Rs. in Million)

	Balance as at 1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Balance as at 31 March 2018
Deferred tax liabilities					
Property, plant and equipment	999.05	(86.62)	-	-	912.43
Others	6.03	0.42	-	-	6.45
	1,005.08	(86.20)	-	-	918.88
Deferred tax assets					
Provision for gratuity	14.06	5.38	7.49	-	26.93
Provision for bad and doubtful debts	2.36	3.17	-	-	5.53
Deferred revenue grant	9.29	3.33	-	-	12.62
Unabsorbed depreciation	83.02	(83.02)	-	-	-
Items allowed on payment basis	32.44	11.21			43.65
Expenditure on prospecting of certain minerals as per section 35E of the Income Tax Act 1961	32.52	(6.32)	-	-	26.20
MAT credit entitlement	271.04	27.11	-	-	298.15
Others	18.17	(16.13)	-	-	2.04
	462.91	(55.27)	7.49	-	415.12
Total		(30.93)	(7.49)	-	

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 19: Deferred tax liabilities (net) (Continued)

(Rs. in Million)

	Balance as at 1 April 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Balance as at 31 March 2017 (Proforma)
Deferred tax liabilities					
Property, plant and equipment	1,138.97	(172.39)	-	-	966.58
Others	5.02	1.01	-	-	6.03
	1,143.99	(171.38)	-	-	972.61
Deferred tax assets					
Provision for gratuity	8.11	2.32	3.63	-	14.06
Provision for bad and doubtful debts	4.93	(2.57)	-	-	2.36
Deferred revenue grant	10.03	(0.74)	-	-	9.29
Unabsorbed depreciation	271.33	(188.31)	-	-	83.02
Items allowed on payment basis	47.42	(14.98)	-	-	32.44
Expenditure on prospecting of certain minerals as per Section 35E of the Income Tax Act 1961	28.93	3.59	-	-	32.52
MAT credit entitlement	180.52	90.52	-	-	271.04
Others	9.20	8.97	-	-	18.17
	560.47	(101.20)	3.63	-	462.91
Total		(70.18)	(3.63)		

(Rs. in Million)

	Balance as at 1 April 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Balance as at 31 March 2016 (Proforma)
Deferred tax liabilities					
Property, plant and equipment	1,234.01	(95.04)	-	-	1,138.97
Equity component of compound financial instrument	8.41	-	-	(8.41)	-
Others	2.39	2.63	-	-	5.02
	1,244.81	(92.41)	-	(8.41)	1,143.99
Deferred tax assets					
Provision for gratuity	4.47	2.69	0.95	-	8.11
Provision for bad and doubtful debts	1.94	2.99	-	-	4.93
Deferred revenue grant	10.09	(0.06)	-	-	10.03
Unabsorbed depreciation	412.59	(141.26)	-	-	271.33
Brought forward business losses	20.49	(20.49)	-	-	-
Items allowed on payment basis	63.39	(15.97)	-	-	47.42
Expenditure on prospecting of certain minerals as per Section 35E of the Income Tax Act 1961	39.07	(10.14)	-	-	28.93
MAT credit entitlement	73.15	107.37	-	-	180.52
Others	2.68	6.52	-	-	9.20
	627.87	(68.35)	0.95	-	560.48
Total		(24.06)	(0.95)		

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 20: Other non-current and current liabilities

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non current				
Deferred revenue grant	**20.69**	22.56	24.70	26.83
Total (A)	**20.69**	22.56	24.70	26.83
Current				
Advance received from customers	**168.76**	253.17	189.18	144.27
Statutory dues	**314.44**	211.48	196.94	163.92
Deferred revenue grant	**2.15**	2.15	2.14	2.15
Other non financial liability	**0.63**	0.59	-	-
Total (B)	**485.98**	467.39	388.26	310.34
Total (A+B)	**506.67**	489.95	412.96	337.17

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Opening balance	**24.71**	26.84	28.98	31.12
Grants received during the period/year	-	-	-	-
Released to Restated Consolidated Summary Statement of Profit and Loss	**(1.87)**	(2.13)	(2.14)	(2.14)
Closing balance	**22.84**	24.71	26.84	28.98
Current portion of the deferred revenue grant	**(2.15)**	(2.15)	(2.14)	(2.15)
Non Current portion of the deferred revenue grant	**20.69**	22.56	24.70	26.83

Note 21: Trade payables

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Non current				
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	105.83	198.43	198.43
Total (A)	-	105.83	198.43	198.43
Current				
(a) Total outstanding dues of micro enterprises and small enterprises	**2.42**	13.69	8.74	6.27
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,255.58**	770.68	524.16	752.39
Total (B)	**1,258.00**	784.37	532.90	758.66
Total (A+B)	**1,258.00**	890.20	731.33	957.09

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4 September 2015. The Group has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act").

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	**2.42**	13.69	8.74	6.27
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

Note 22: Current tax liabilities (net)

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Current tax liabilities (net)				
Provision for income tax	**641.54**	584.84	105.40	-
Advance tax and tax deducted at source	**(535.32)**	(464.65)	(69.23)	-
	106.22	120.19	36.17	-

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 23: Revenue from operations

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Sale of products (A)	**19,813.29**	21,205.76	14,462.03	10,355.13
Rendering of services				
Commission and supervision charges	-	-	257.15	1,009.81
Conversion charges received	-	-	31.45	45.10
Rendering of transportation services	-	87.91	324.61	161.47
Total (B)	-	87.91	613.21	1,216.38
Other operating revenues				
Government grants	**1.87**	28.19	16.46	46.06
Export incentive	**56.13**	56.62	37.49	2.06
Sale of scrap	**154.21**	97.41	22.42	0.11
Total (C)	**212.21**	182.22	76.37	48.23
Revenue from operations (A+B+C)	**20,025.50**	21,475.89	15,151.61	11,619.74

Break up of sale of products

Product group				
TMT Rebar and allied products	**15,051.26**	15,230.35	10,437.47	8,206.52
Billet	**4,205.44**	4,725.65	3,691.73	881.35
Others	**556.59**	1,249.76	332.83	1,267.26
	19,813.29	21,205.76	14,462.03	10,355.13
Nature group				
Manufactured goods	**19,236.19**	20,634.56	14,442.45	10,321.22
Stock-in-trade	**577.10**	571.20	19.58	33.91
	19,813.29	21,205.76	14,462.03	10,355.13
Geographic market				
India	**17,771.58**	18,971.26	12,564.02	9,863.84
Outside India	**2,041.71**	2,234.50	1,898.01	491.29
	19,813.29	21,205.76	14,462.03	10,355.13

Performance obligation

The Group recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customers, generally on delivery of the goods and the performance obligation of the Group is satisfied upon delivery of the goods to the customers.

Goods and Service Tax (GST) has been effective from 1 July 2017, consequently excise duty, value added tax (VAT), service tax etc. have been replaced with GST. Until 30 June 2017, 'Sale of products' includes the amount of excise duty recovered on sales amounting to 31 March 2018 : Rs 467.10 million; 31 March 2017: Rs 1,400.18 million; 31 March 2016: Rs 1,080.67 million. The Group collects GST on behalf of the Government and not included in 'Sale of products', and therefore revenue from 'Sale of products' for the period ended 31 December 2018 and year ended 31 March 2018 is not comparable with that of the comparative years.

Note 24: Other income

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Interest income under the effective interest method on:				
- investments	**4.82**	7.20	-	-
- fixed deposits with banks	**5.76**	7.98	9.45	10.64
- from others	**77.90**	66.92	37.44	45.59
Net gain on sale of investments measured at fair value through profit and loss	**3.12**	1.38	6.54	0.49
Net gain on fair valuation of Investments measured at fair value through profit and loss	**12.06**	0.76	2.95	2.45
Dividend income	**1.62**	-	-	-
Profit on sale of property. plant and equipment's (net)	**1.12**	3.49	-	0.01
Net gain on derivative instruments on fair valuation through profit and loss	**0.68**	43.08	-	-
Liabilities no longer required written back	**8.52**	22.06	16.49	8.20
Rental income	**0.20**	0.26	0.19	-
Insurance and other claims (net)	-	-	-	3.10
Miscellaneous income	**0.02**	0.02	-	0.38
	115.82	153.15	73.06	70.86

Note 25: Cost of materials consumed

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Opening stock	**1,302.73**	846.79	495.49	751.18
Purchases	**12,520.09**	13,593.15	8,856.73	6,057.66
Closing stock	**(693.08)**	(1,302.73)	(846.79)	(495.49)
	13,129.74	13,137.21	8,505.43	6,313.35

Note 26: Purchase of stock-in-trade

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Steel and steel products	**623.74**	514.10	17.49	28.07
	623.74	514.10	17.49	28.07

Note 27: Changes in inventories of finished goods, work in progress and stock-in-trade

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Opening stock				
- Finished goods	**352.66**	119.13	89.27	208.11
- Work in progress	**126.26**	316.39	190.11	279.06
- Stock in trade	**41.54**	0.11	0.11	1.80
Total (A)	**520.46**	435.63	279.49	488.97
Less: Closing stock				
- Finished goods	**528.05**	352.66	119.13	89.27
- Work in progress	**290.19**	126.26	316.39	190.11
- Stock in trade	**258.94**	41.54	0.11	0.11
Total (B)	**1,077.18**	520.46	435.63	279.49
(Increase)/ Decrease in inventory of finished goods, work-in-progress and stock-in trade (A-B)	**(556.72)**	(84.83)	(156.14)	209.48

Note 28: Employee benefits expense

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Salaries and wages	**838.00**	869.00	489.39	300.29
Contribution to provident and other funds (refer note 36)	**82.64**	107.04	50.08	23.05
Staff welfare expenses	**11.92**	15.63	11.69	10.58
	932.56	991.67	551.16	333.92

Note 29: Finance costs

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Interest expense				
-On borrowings	**124.21**	226.40	229.41	270.60
-Others (including interest on deposits to dealers)	**97.76**	82.51	51.30	46.62
Exchange differences regarded as an adjustment to borrowing costs	**5.97**	11.55	3.97	4.27
Other borrowing cost	**23.23**	27.80	25.79	27.51
	251.17	348.26	310.47	349.00

Note 30: Depreciation and amortisation expenses

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Depreciation of property, plant and equipment (refer note 1)	**342.23**	586.19	826.99	816.09
Amortisation of other intangible assets (refer note 2)	**1.92**	0.37	0.33	0.22
Impairment of property, plant and equipment*	**-**	-	-	17.90
	344.15	586.56	827.32	834.21

* The Subsidiary Company, Shyam Steel Manufacturing Limited had impaired one of its cash generating unit in the earlier years.

Note 31: Other expenses

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Consumption of stores and spares	**372.80**	380.40	289.90	301.60
Outsourced manpower cost	**279.67**	234.32	126.54	143.12
Power and fuel	**1,637.58**	2,020.55	1,622.88	1,250.75
Repairs to:				
- Buildings	**8.83**	20.48	6.08	2.22
- Plant and machineries	**37.53**	58.67	47.13	4.41
- Others	**26.65**	29.71	18.82	4.93
Excise duty related to (decrease)/ increase in inventory of finished goods	**-**	(42.42)	20.64	(3.87)
Freight and delivery expenses	**424.15**	463.16	413.76	259.54
Advertisement and sales promotion	**362.46**	366.53	349.38	129.46
Brokerage and commission	**91.63**	93.71	46.46	61.82
Payment to auditors' [refer note (i) below]	**2.83**	3.10	2.92	2.31
Rent (Refer note 43)	**54.97**	38.76	11.41	4.60
Rates and taxes	**6.50**	160.94	15.79	44.49
Insurance	**12.00**	12.00	9.24	9.22
Advances and bad debt written off	**1.22**	39.83	64.78	10.19
Provision for impairment loss recognised under expected credit loss model	**50.13**	9.02	-	8.26
Foreign exchange fluctuation (net)	**17.38**	20.56	25.09	47.73
Legal and professional fees	**35.12**	45.00	23.57	28.12
Travelling and conveyance expenses	**65.22**	60.16	29.83	20.01
Loss on sale/discard of property, plant and equipments (net)	**-**	-	0.10	-
Loss on fair valuation of derivative instruments measured at fair value through profit and loss (net)	**-**	-	25.66	14.72
Donation	**0.46**	110.19	13.40	2.20
Corporate social responsibility expenses [refer note (ii) below]	**115.47**	12.98	7.58	-
Miscellaneous expenses	**39.53**	66.41	32.87	23.95
	3,642.13	4,204.06	3,203.83	2,369.78

(i) Auditors' remuneration

Statutory auditors				
- Statutory audit	**2.50**	2.70	2.02	1.48
- Tax audit	**-**	-	0.37	0.24
- Other services	**-**	0.40	0.03	0.03
Reimbursement of expenses	**0.33**	-	0.50	0.56
	2.83	3.10	2.92	2.31

(ii) Corporate social responsibility

In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure is as follows:

Particulars	**31 December 2018**	**31 March 2018**	**31 March 2017 (Proforma)**	**31 March 2016 (Proforma)**
Gross amount required to be spent by the Group during the period/year	**26.01**	11.99	6.81	-

	For the nine months period ended 31 December 2018		31 March 2018		31 March 2017 (Proforma)	
Particulars	**In Cash**	**Yet to be paid in cash**	In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
Construction/ Acquisition of any asset	-	-	2.15	-	3.80	-
On purpose other than above	**115.47**	-	10.83	-	3.78	-

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 32: Tax expenses

i. Tax charge recognised in Restated Consolidated Summary Statement of Profit and Loss **(Rs. in Million)**

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Current tax	**476.99**	402.35	185.40	121.07
Deferred tax charge/ (release)	**8.30**	(30.93)	(70.18)	(24.06)
Income tax (reversal)/charge for earlier years (net)	**(24.23)**	(0.11)	2.95	1.11
Total tax expense	**461.06**	371.31	118.17	98.12

ii. Tax charge recognised in Other Comprehensive Income

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Items that will not be reclassified to profit or loss				
Remeasurement gain/(loss) of the defined benefit plans				
Before tax	**3.63**	(21.44)	(10.49)	(2.73)
Tax (expense)/benefit	**(1.27)**	7.49	3.63	0.95
Net of tax	**2.36**	(13.95)	(6.86)	(1.78)

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in Restated Consolidated Summary Statement of Profit and loss

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Profit before tax	**1,774.55**	1,464.91	564.93	172.12
Income tax expense at tax rate applicable to the Group	**613.80**	506.77	195.27	59.57
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expenses				
Income not subject to tax	**(145.07)**	(162.49)	(98.09)	(8.71)
Income taxable at different rates	**6.18**	2.02	(2.81)	47.06
Non deductible expenses	**3.26**	3.23	-	-
Income tax adjustment relating to earlier years	**(24.23)**	(0.11)	2.95	1.11
Others	**7.12**	21.89	20.85	(0.91)
	(152.74)	(135.46)	(77.10)	38.55
Income tax expenses as per Restated Consolidated Summary Statement of Profit and Loss	**461.06**	371.31	118.17	98.12

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 33: Contingent liabilities
(to the extent not provided for)

(i) Claims/disputes/demands not acknowledged as debts **(Rs. in Million)**

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Sales tax/VAT liability under dispute/ appeal	**2.69**	2.69	1.81	4.60
Excise duty liability under dispute/ appeal	**114.24**	145.49	-	-
Income tax liability under dispute/ appeal	**8.58**	0.72	-	-
Others	**-**	0.49	-	-

(ii) There has been a Supreme Court Judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. There are interpretative aspects related to the judgement, including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on Restated Consolidated Summary Financial Statements, if any.

Note 34: Commitments

Capital commitments

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances **Rs 76.73 million** (31 March 2018: Rs 57.57 million; 31 March 2017: Rs 75.29 million; 31 March 2016: Rs 46.80 million)	**94.33**	83.74	207.66	92.38

Note 35: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Current				
Financial assets				
Trade receivables	**2,537.94**	2,420.76	1,602.84	1,642.81
Cash and cash equivalents	**124.62**	46.07	32.95	30.97
Bank balances	**109.48**	107.13	148.16	114.15
Investments	**1,512.72**	350.65	57.10	118.00
Other financial assets	**201.81**	161.09	261.78	271.00
Loans	**64.57**	87.42	66.03	59.94
Non-financial assets				
Inventories	**1,994.74**	2,014.66	1,428.58	916.40
Other current assets (excluding balances with government authorities and prepaid expenses)	**886.53**	705.00	1,149.94	666.29
Total current assets pledged as security	**7,432.41**	5,892.78	4,747.38	3,819.56
Non-current				
Financial asset				
Loans	**44.11**	73.31	17.59	20.81
Other financial assets	**36.43**	1.34	14.71	16.89
Non-financial assets				
Property, plant and equipment	**5,210.05**	4,669.37	4,830.92	5,440.87
Capital work-in-progress	**189.88**	630.25	163.49	64.45
Intangible assets	**13.20**	6.15	1.24	0.73
Other non-current assets (excluding balances with government authorities and prepaid expenses)	**76.73**	57.57	75.29	46.80
Total non-currents assets pledged as security	**5,570.40**	5,437.99	5,103.24	5,590.55
Total assets pledged as security	**13,002.81**	11,330.77	9,850.62	9,410.11

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 36: Disclosure pursuant to Indian Accounting Standard - 19 ‘Employee Benefits’

A. Defined contribution plan:

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Restated Consolidated Summary Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund aggregates to **Rs 50.49 million** (31 March 2018: Rs 63.41 million: 31 March 2017: Rs 32.49 million; 31 March 2016 Rs 15.74 million).

The Group contributes its Employee State Insurance (ESI) contribution with Employees' State Insurance Corporation (ESIC) maintained by Government agencies, contributions made by the Group for ESI is based on the current salaries. In the ESI scheme, contributions are also made by the employees. The annual contribution amount of **Rs 12.11 million** (31 March 2018: Rs 13.78 million; 31 March 2017: Rs 8.11 million; 31 March 2016: Rs 5.07 million) has been charged to the Restated Consolidated Summary Statement of Profit and Loss in relation to the above defined contribution scheme.

B. Defined benefit plan:

a. Gratuity plan

Retirement benefits in the form of gratuity is considered as defined benefit obligations and is provided for on the basis of independent actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each completed year of service at the retirement/exit.

b. Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk	The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Inherent risk	The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.
Liquidity risk	This is the risk that the Group is not able to meet the short- term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time).There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ` 2,000,000 w.e.f 29 March 2018).

c. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation of gratuity from the opening balance to the closing balances for the net defined benefit (asset)/ liability and its components:

(Rs. in Million)

Particulars	**31 December 2018**		**31 March 2018**	
	Funded	**Unfunded**	**Funded**	**Unfunded**
Balance at the beginning of the period/ year	**11.84**	**76.85**	7.77	40.47
Current service cost	**3.57**	**13.32**	3.20	9.38
Past service cost	**-**	**-**	1.38	3.06
Interest cost	**0.68**	**4.36**	0.57	3.02
Actuarial (gains)/loss recognised in other comprehensive income				
-Experience changes	**0.41**	**(6.78)**	(0.54)	(3.60)
-Changes in financial assumptions	**1.42**	**1.32**	0.39	25.19
Benefits paid directly by the Group		**(0.93)**	-	(0.67)
Benefits paid from the plan assets	**(0.08)**	-	(0.93)	-
Balance at the end of the period/year	**17.84**	**88.14**	11.84	76.85

Particulars	**31 March 2017**		**31 March 2016**	
	(Proforma)		**(Proforma)**	
	Funded	**Unfunded**	**Funded**	**Unfunded**
Balance at the beginning of the year	4.47	23.53	3.71	13.76
Current service cost	2.31	7.34	2.04	4.45
Past service cost	-	-	-	-
Interest cost	0.35	1.82	0.28	1.03
Actuarial (gains)/loss recognised in other comprehensive income				
-Experience changes	0.45	7.52	(1.24)	5.36
-Changes in financial assumptions	0.49	2.03	(0.32)	(1.07)
Benefits paid directly by the Group	-	(1.77)	-	-
Benefits paid from the plan assets	(0.30)	-	-	-
Balance at the end of the year	7.77	40.47	4.47	23.53

Note 36: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Continued)

Reconciliation of the plan assets

The following table shows a reconciliation from the opening balances to the closing balances for the plan assets and its components:

Particulars	Gratuity (funded)			
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Balance at the beginning of the year	**1.50**	1.41	1.54	1.22
Interest income on plan assets	**0.09**	0.11	0.11	0.09
Remeasurement of defined benefit obligation:				
Return on plan assets greater/ (lesser) than discount rate, excluding amount recognised in net interest expenses	**0.06**	0.91	0.06	0.23
Employer contributions to the plan	**-**	-	-	-
Benefits paid from the plan assets	**(0.08)**	(0.93)	(0.30)	-
Balance at the end of the year	**1.57**	1.50	1.41	1.54

d. Expenses recognised in Restated Consolidated Summary Statement of Profit and Loss

(Rs. in Million)

Particulars	Nine months period ended 31 December 2018		31 March 2018	
	Funded	Unfunded	Funded	Unfunded
Current service cost	**3.57**	**13.32**	3.20	9.38
Interest cost	**0.68**	**4.36**	0.57	3.02
Past service cost	**-**	**-**	1.38	3.06
Interest income on plan assets	**(0.09)**	**-**	(0.11)	-
Particulars	**31 March 2017 (Proforma)**		**31 March 2016 (Proforma)**	
	Funded	**Unfunded**	**Funded**	**Unfunded**
Current service cost	2.31	7.34	2.04	4.45
Interest cost	0.35	1.82	0.28	1.03
Past service cost	-	-	-	-
Interest income on plan assets	(0.11)	-	(0.09)	-

e. Remeasurement recognised in Other comprehensive income

(Rs. in Million)

Particulars	Nine months period ended 31 December 2018		31 March 2018	
	Funded	Unfunded	Funded	Unfunded
Actuarial (gains)/loss recognised in other comprehensive income				
-Experience changes	**0.41**	**(6.78)**	(0.54)	(3.60)
-Changes in financial assumptions	**1.42**	**1.32**	0.39	25.19
Particulars	**31 March 2017 (Proforma)**		**31 March 2016 (Proforma)**	
	Funded	**Unfunded**	**Funded**	**Unfunded**
Actuarial (gains)/loss recognised in other comprehensive income				
-Experience changes	0.45	7.52	(1.24)	5.36
-Changes in financial assumptions	0.49	2.03	(0.32)	(1.07)

Major categories of plan assets

Particulars	Gratuity		Gratuity	
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Fund managed by insurer	**100%**	100%	100%	100%

The Subsidiary Company, Shyam Steel Manufacturing Limited had purchased an insurance policy with TATA AIA Life Insurance Company Limited for funding the requirements of the gratuity liability.

Note 36: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Continued)

f. Actuarial assumptions

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Financial assumptions				
Discount rate	**7.5% to 7.65%**	7.8% to 7.6%	7.45 to 7.5%	7.80% to 7.9%
Salary escalation rate	**7% to 10%**	7% to 10%	7%	7%
Demographic assumptions				
Mortality rate	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate	**Upto 44 years - 2% Above 44 years - 1%**	Upto 44 years - 2% Above 44 years - 1%	Upto 44 years - 2% Above 44 years - 1%	Upto 44 years - 2% Above 44 years - 1%

g. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h. The weighted average duration of the defined benefit obligation was 15 years (based on discounted cash flows). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

(Rs. in Million)

Expected benefits payment over the next (valued on undiscounted basis)	Gratuity
1 year	2.96
2 to 5 years	14.97
6 to 10 years	54.62
More than 10 years	170.02

i. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Effect on Defined benefit obligation due to 1% increase in discount rate	**(14.45)**	(12.71)	(6.60)	(3.83)
Effect on Defined benefit obligation due to 1% decrease in discount rate	**17.48**	15.64	8.07	4.69
Effect on Defined benefit obligation due to 1% increase in salary escalation rate	**14.87**	13.75	7.41	4.58
Effect on Defined benefit obligation due to 1% decrease in salary escalation rate	**(12.95)**	(11.75)	(6.30)	(3.82)
Effect on Defined benefit obligation due to 1% increase of attrition rates	**1.74**	1.58	0.25	0.19
Effect on Defined benefit obligation due to 1% decrease of attrition rates	**(1.85)**	(1.75)	(0.29)	(0.23)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 37: Related Party Disclosure

A. Related Party disclosures

Relationship	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Subsidiary	Shyamsteel Energy Private Limited Shyam Steel Manufacturing Limited (Subsidiary of Shyamsteel Energy Private Limited)*	Shyamsteel Energy Private Limited Shyam Steel Manufacturing Limited (Subsidiary of Shyamsteel Energy Private Limited)*	Shyamsteel Energy Private Limited Shyam Steel Manufacturing Limited (Subsidiary of Shyamsteel Energy Private Limited)*	Shyamsteel Energy Private Limited Shyam Steel Manufacturing Limited (Subsidiary of Shyamsteel Energy Private Limited)*
	Shyam Mining Private Limited (Subsidiary of Shyam Steel Manufacturing Limited)#	Shyam Mining Private Limited (Subsidiary of Shyam Steel Manufacturing Limited)#	Shyam Mining Private Limited (Subsidiary of Shyam Steel Manufacturing Limited)#	Shyam Mining Private Limited (Subsidiary of Shyam Steel Manufacturing Limited)#
	Vaikuntha Tradecom Private Limited (Wholly owned Subsidiary of Shyam Steel Manufacturing Limited)	Vaikuntha Tradecom Private Limited (Wholly owned Subsidiary of Shyam Steel Manufacturing Limited)	Vaikuntha Tradecom Private Limited (Wholly owned Subsidiary of Shyam Steel Manufacturing Limited w.e.f. 9 March 2017)	
Key Management Personnel (KMP)	Mr. Purushottam Beriwala (Whole-time Director) Mr. Nikunj Beriwal (Chief financial officer w.e.f. 11 April 2019, Whole-time Director upto 11 April 2019)	Mr. Purushottam Beriwala (Whole-time Director) Mr. Nikunj Beriwal (Whole-time Director)	Mr. Purushottam Beriwala (Whole-time Director) Mr. Nikunj Beriwal (Whole-time Director)	Mr. Purushottam Beriwala (Whole-time Director) Mr. Nikunj Beriwal (Whole-time Director)
	Mr. Deepak Chowdhary (Whole-time Director)	Mr. Deepak Chowdhary (Whole-time Director)	Mr. Deepak Chowdhary (Whole-time Director w.e.f. 1 April 2016)	Mr. Govind Beriwal (Non Executive Director)
	Mr. Govind Beriwal (Whole-time Director w.e.f. 1 April 2018)	Mr. Govind Beriwal (Non Executive Director of Shyam Steel Manufacturing Limited)	Mr. Govind Beriwal (Non Executive Director)	Mr. Lalit Beriwala (Non Executive Director)
	Mr. Lalit Beriwala (Whole-time Director w.e.f. 1 April 2018)	Mr. Lalit Beriwala (Whole -time Director of Shyam Steel Manufacturing Limited)	Mr. Lalit Beriwala (Non Executive Director)	Mr. Ravi Beriwala (Non Executive Director)
	Mr. Manish Beriwala (Whole-time Director w.e.f. 1 April 2018)	Mr. Vinay Kumar Singh (Whole-time Director of Shyam Steel Manufacturing Limited)	Mr. Vinay Kumar Singh (Whole-time Director of Shyam Steel Manufacturing Limited w.e.f. 1 April 2016)	Ms. Komal Surana (Independent Director)
	Mr. Vinay Kumar Singh (Whole-time Director of Shyam Steel Manufacturing Limited)	Mr. Ravi Beriwala (Non Executive Director)	Mr. Ravi Beriwala (Non Executive Director)	Mr. Santinath Sarkar (Independent Director)
	Mr. Ravi Beriwala (Non Executive Director)	Mrs. Rajni Mishra (Independent Director w.e.f. 30 May 2017)	Ms. Komal Surana (Independent Director)	Ms. Prerna Sharma, (Company Secretary)
	Mr. Brijesh Beriwala (Non Executive Director w.e.f. 1 April 2018)	Ms. Komal Surana (Independent Director till 30 May 2017)	Mr. Santinath Sarkar (Independent Director)	
	Mrs. Rajni Mishra (Independent Director)	Mr. Santinath Sarkar (Independent Director)	Ms. Prerna Sharma, (Company Secretary upto 28 February 2017)	
	Mr. Santinath Sarkar (Independent Director)	Mrs. Sudha Agarwal (Company Secretary w.e.f. 1 April 2017 and upto 6 September 2017)		
	Mr. Tony Paul, (Company Secretary upto 11 April 2019)	Mr. Tony Paul (Company Secretary w.e.f. 13 September 2017)		
	Mrs. Lalita Pasari, (Company of Secretary Shyam Steel Manufacturing Limited upto 15 January 2019)	Mrs. Lalita Pasari (Company Secretary of Shyam Steel Manufacturing Limited w.e.f. 11 September 2017)		
Close members of family of KMP	Mr. Shriram Beriwala Mr. Shyam Sundar Beriwala Mr. Siddharth Beriwala Mr. Suket Beriwal Mr. Raghav Beriwala Ms. Megha Beriwala Ms.Vrinda Beriwala Mrs.Tulika Beriwal Ms. Shailja Beriwala	Mr. Shriram Beriwala Mr. Shyam Sundar Beriwala Mr. Siddharth Beriwala Mr. Suket Beriwal Mr. Raghav Beriwala Ms. Megha Beriwala Ms.Vrinda Beriwala Mrs.Tulika Beriwal Ms. Shailja Beriwala Mr. Manish Beriwala Mr. Brijesh Beriwala	Mr. Shriram Beriwala Mr. Shyam Sundar Beriwala Mr. Siddharth Beriwala Mr. Suket Beriwal Mr. Raghav Beriwala Ms. Megha Beriwala Ms.Vrinda Beriwala Mrs.Tulika Beriwal Ms. Shailja Beriwala Mr. Manish Beriwala Mr. Brijesh Beriwala	Mr. Shriram Beriwala Mr. Shyam Sundar Beriwala Mr. Siddharth Beriwala Mr. Suket Beriwal Mr. Raghav Beriwala Ms. Megha Beriwala Ms.Vrinda Beriwala Mrs.Tulika Beriwal Ms. Shailja Beriwala Mr. Manish Beriwala Mr. Brijesh Beriwala
Enterprises controlled by key management personnel or their relatives	Shree Nivas Buildestates LLP GB Resorts LLP SSB Estate LLP Gunina Tie-Up LLP Beriwala Seva Trust Shyamshree Niketan Private Limited Shyamshree Enclave Private Limited Vasudeo Enclave Private Limited Shyam Steel Foundation Trust PB Farm House LLP	Shree Nivas Buildestates LLP GB Resorts LLP SSB Estate LLP Gunina Tie-Up LLP Beriwala Seva Trust Shyamshree Niketan Private Limited Shyamshree Enclave Private Limited Vasudeo Enclave Private Limited	Shree Nivas Buildestates LLP GB Resorts LLP SSB Estate LLP Gunina Tie-Up LLP Beriwala Seva Trust Shyamshree Niketan Private Limited Shyamshree Enclave Private Limited Vasudeo Enclave Private Limited	Beriwala Seva Trust Shyamshree Niketan Private Limited Shyamshree Enclave Private Limited Vasudeo Enclave Private Limited

** Earlier known as Sova Ispat Limited and wholly owned subsidiary w.e.f. 3 May 2017*

 # 80% shares held by Shyam Steel Manufacturing Limited and balance 20% held by Shyam Steel Industries Limited

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 37: Related Party Disclosure (Continued)
B. Transactions during the nine months period / year ended:

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Sale of finished goods				
Shyam Steel Manufacturing Limited	**254.84**	51.87	4.40	4.36
Branding income				
Shyam Steel Manufacturing Limited	**101.32**	-	-	-
Interest income				
Shyam Steel Manufacturing Limited	**0.75**	10.32	1.00	0.28
Purchase of raw materials/ Stock-in-trade				
Shyam Steel Manufacturing Limited	**2,054.26**	1,657.41	1,297.56	1,699.20
Remuneration				
Mr. Purushottam Beriwala	**27.45**	31.87	10.65	3.00
Mr. Govind Beriwal	**27.45**	31.87	10.65	3.00
Mr. Nikunj Beriwal	**2.75**	2.95	2.76	1.50
Mr. Deepak Chowdhary	**1.76**	1.98	1.40	-
Mr. Ravi Beriwala	**18.38**	21.98	10.65	3.00
Mr. Manish Beriwala	**34.77**	43.94	10.65	3.00
Mr. Brijesh Beriwala	**34.91**	43.94	10.65	3.00
Mr. Raghav Beriwala	**16.47**	21.98	10.02	0.35
Mr. Siddharth Beriwala	**22.88**	31.87	10.02	2.10
Mr. Suket Beriwal	**22.88**	31.87	9.69	2.10
Ms. Megha Beriwala	**0.15**	0.90	0.53	-
Ms. Shailja Beriwala	**0.68**	0.45	0.30	0.90
Mrs. Tulika Beriwal	**0.82**	1.09	-	-
Mr. Lalit Beriwala	**34.77**	43.94	10.65	3.00
Mr. Vinay Kumar Singh	**2.40**	2.68	1.57	-
Ms. Prerna Sharma	**-**	-	0.71	0.69
Mrs. Sudha Agarwal	**-**	0.60	-	-
Mr. Tony Paul	**1.30**	0.96	-	-
Mrs. Lalita Pasari	**0.48**	0.35	-	-
Investment in Debentures				
Shyamsteel Energy Private Limited	**-**	12.10	-	337.73
Shyam Steel Manufacturing Limited	**-**	-	-	100.00
Loan given				
Shyam Steel Manufacturing Limited	**-**	258.50	-	-
Loan Repaid				
Shyam Steel Manufacturing Limited	**-**	258.50	-	-
Loan taken				
Mr. Purushottam Beriwala	**1.16**	3.33	8.32	8.72
Mr. Govind Beriwal	**-**	6.99	7.32	8.27
Mr. Ravi Beriwala	**0.80**	5.83	7.21	6.06
Mr. Lalit Beriwala	**-**	6.13	11.75	12.52
Loan Repaid				
Mr. Purushottam Beriwala	**3.58**	6.01	7.13	9.07
Mr. Govind Beriwal	**2.91**	5.89	6.92	9.49
Mr. Ravi Beriwala	**1.39**	9.05	8.29	8.92
Mr. Lalit Beriwala	**1.91**	4.65	14.51	11.54
Purchase of Investments				
Shyamsteel Energy Private Limited	**-**	110.06	-	-
Purchase of land (by Shyam Steel Manufacturing Limited)				
Vaikuntha Tradecom Private Limited	**8.23**	-	-	-
Advance for purchase of land (by Shyam Steel Manufacturing Limited)				
Vaikuntha Tradecom Private Limited	**2.10**	3.28	0.62	-
Rent expense				
Mr. Shriram Beriwala	**-**	-	0.07	0.07
Mr. Shyam Sundar Beriwala	**-**	-	0.05	0.05
Shree Nivas Buildestates LLP	**1.35**	1.80	0.90	-
Vasudeo Enclave Private Limited	**5.78**	0.87	0.12	-
SSB Estate LLP	**1.35**	1.80	0.90	-
GB Resorts LLP	**1.35**	1.80	0.90	-
Gunina Tie-Up LLP	**1.35**	1.80	0.90	-
PB Farm House LLP	**1.80**	-	-	-

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 37: Related Party Disclosure (Continued)
B. Transactions during the nine months period / year ended (Continued) :

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Reimbursement of expense				
SSB Estate LLP	**0.03**	-	-	-
GB Resorts LLP	**0.03**	-	-	-
Shyam Mining Private Limited	**-**	-	-	0.12
Donation				
Beriwala Seva Trust	**0.20**	110.00	13.00	-
CSR expense				
Beriwala Seva Trust	**0.81**	12.98	7.08	-
Shyam Steel Foundation Trust	**113.00**	-	-	-
Director Sitting Fees				
Ms. Komal Surana	**-**	-	0.10	0.10
Mr. Santinath Sarkar	**0.07**	0.10	0.10	0.10
Mrs. Rajni Mishra	**0.07**	0.10	-	-
Sale of Investments				
Ms. Vrinda Beriwala	**-**	2.41	-	-
Shyamshree Enclave Private Limited	**-**	0.22	0.21	-
Shyamshree Niketan Private Limited	**-**	0.30	0.22	-
Shyam Mining Private Limited	**-**	0.24	1.59	-
Security deposit given				
Vasudeo Enclave Private Limited	**1.90**	-	-	-

C. Key Management Personnel compensation

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 ((Proforma))	31 March 2016 ((Proforma))
Short-term employee benefits	**153.54**	115.16	42.08	14.16
Other long-term employee benefits	**32.86**	24.04	6.96	0.02
Total	**186.40**	**139.20**	**49.04**	**14.18**

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable separately and, therefore, not included above.

D. Balance outstanding

Particulars	As at 31st December 2018	As at 31st March 2018	As at 31st March 2017 (Proforma)	As at 31st March 2016 (Proforma)
Borrowings				
Mr. Purushottam Beriwala	**-**	2.41	5.10	3.91
Mr. Govind Beriwal	**-**	2.91	1.81	1.41
Mr. Lalit Beriwala	**-**	1.91	0.44	3.21
Mr. Ravi Beriwala	**-**	0.59	3.81	0.89
Remuneration payable				
Mr. Purushottam Beriwala	**1.32**	1.16	0.46	0.25
Mr. Nikunj Beriwal	**0.16**	0.13	0.13	0.05
Mr. Deepak Chowdhary	**0.14**	0.14	0.11	-
Mr. Govind Beriwal	**1.32**	1.15	0.46	0.25
Mr. Manish Beriwala	**1.67**	1.52	0.31	0.25
Mr. Brijesh Beriwala	**3.17**	1.46	0.24	-
Mr. Lalit Beriwala	**1.67**	1.59	0.44	-
Mr. Ravi Beriwala	**1.67**	0.80	0.44	0.25
Ms. Megha Beriwala	-	-	0.07	-
Mrs. Tulika Beriwal	**0.06**	-	-	-
Ms. Shailja Beriwala	**0.08**	-	-	-
Mr. Siddharth Beriwala	**1.11**	1.06	0.08	0.18
Mr. Raghav Beriwala	**0.80**	0.64	0.15	0.18
Mr. Suket Beriwala	**1.11**	0.96	0.04	0.18
Mr. Vinay Kumar Singh	**0.24**	0.20	0.19	-
Ms. Prerna Sharma	-	-	-	0.13
Mr. Tony Paul	**0.09**	0.16	-	-
Mrs. Lalita Pasari	**0.05**	0.11	-	-

Note 37: Related Party Disclosure (Continued)

D. Balance outstanding (Continued):

Particulars	As at 31st December 2018	As at 31st March 2018	As at 31st March 2017 (Proforma)	As at 31st March 2016 (Proforma)
Sitting fees payable				
Mr. Santinath Sarkar	**-**	0.01	-	-
Mrs. Rajni Mishra	**-**	0.01	-	-
Investment in debentures				
9,354,000 0% Optionally Fully Convertible Debentures of Shyamsteel Energy Private Limited (face value of Rs 100 each) (31 March 2018: 9,354,000 ; 31 March 2017: 9,233,000 ; 31 March 2016: 9,233,000)	**935.40**	935.40	923.30	923.30
1,000,000 1% Fully Convertible Debentures of Shyam Steel Manufacturing Limited (erstwhile Sova Ispat Limited), (face value of Rs 100 each) (31 March 2018: 1,000,000 ; 31 March 2017: 1,000,000 ; 31 March 2016: 1,000,000)	**100.00**	100.00	100.00	100.00
Interest receivable				
Shyam Steel Manufacturing Limited	**0.75**	-	-	-
Advance for supply of goods				
Shyam Steel Manufacturing Limited	**-**	-	283.45	244.51
Corporate guarantee given for				
Shyam Steel Manufacturing Limited				
Sanctioned limit	**611.30**	1,603.80	2,152.10	2,258.20
Limit utilised	**581.89**	784.19	1,191.96	1,209.18
Advance for purchase of Land (by Shyam Steel Manufacturing Limited)				
Vaikuntha Tradecom Private Limited	**9.46**	15.59	12.31	-
Security and other deposits				
Vasudeo Enclave Private Limited	**1.90**	-	-	-

E. Terms and conditions of transactions with related parties

The sale to and purchase from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.The Loans as well as corporate guarantee issued to related parties are on terms equivalent to those that prevail in arm's length transactions. Outstanding Balances at the year end are unsecured and the Company has recorded the receivable relating to amount due from related parties net of impairment (if any). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates.

F. The related party relationship is as identified by the management based on the available information and relied upon by the auditors.

Disclosure under Section 186 (4) of the Companies Act, 2013

Details of investments: The details of Investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 4 and note 10.

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 38: Earnings per share

A. Basic and diluted earnings per share

Basic EPS is calculated by dividing the profit of the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year.

(i) Earnings per equity share (after bonus) (Refer note 48)

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
(i) Profit for the period/year, attributable to the equity holders	**1,313.49**	1,093.01	443.63	71.10
(ii) Weighted average number of equity shares (basic and diluted) ^				
At the beginning of the period/year (number in million)	**62.00**	62.00	65.00	65.00
At the end of the period/year (number in million)	**62.00**	62.00	62.00	65.00
Weighted average number of equity shares (basic and diluted) for the period/year (number in million)	**62.00**	62.00	64.99	65.00
Basic and diluted earnings per share [(i)/ (ii)]*	**21.19**	17.63	6.83	1.09

Refer note 48- Subsequent events for details on issue of equity shares by way of bonus.

(ii) Earnings per equity share (before bonus)

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
(i) Profit for the period/year, attributable to the equity holders	**1,313.49**	1,093.01	443.63	71.10
(ii) Weighted average number of equity shares (basic and diluted) ^				
At the beginning of the period/year (number in million)	**6.20**	6.20	6.50	6.50
At the end of the period/year (number in million)	**6.20**	6.20	6.20	6.50
Weighted average number of equity shares (basic and diluted) for the period/year (number in million)	**6.20**	6.20	6.50	6.50
Basic and diluted earnings per share [(i)/ (ii)]*	**211.85**	176.29	68.26	10.94

*Earnings per share is not annualised for the nine months period ended 31 December 2018

^ Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 39: Financial instruments - Fair value of financial assets and financial liabilities

(a) Accounting clasifications and fair values:

(Rs. in Million)

Particulars	31 December 2018			31 December 2018		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Non-current financial assets						
Non-current investments						
Investments	-	-	-	-	-	-
- Government securities	-	-	1.37	-	-	-
Security and other deposits	-	-	44.11	-	-	-
Other non-current financial assets	-	-	36.76	-	-	-
Current financial assets						
Current investments						
- Debentures	-	-	60.00	-	-	-
- Mutual funds	1,453.21	-		1,453.21	-	-
Trade receivables	-	-	2,537.94	-	-	-
Security and other deposits	-	-	64.57	-	-	-
Cash and cash equivalents	-	-	125.42	-	-	-
Other bank balances	-	-	109.48	-	-	-
Other current financial assets	5.81	-	196.00	-	5.81	-
Total financial assets	1,459.02	-	3,175.65	1,453.21	5.81	-
Financial liabilities						
Non-current financial liabilities						
Borrowings	-	-	502.96	-	-	-
Other non-current financial liabilities	-	-	685.33	-	-	-
Current financial liabilities						
Borrowings	-	-	1,856.78	-	-	-
Trade payables	-	-	1,258.00	-	-	-
Other current financial liabilities	11.00	-	680.30	-	11.00	-
Total financial liabilities	11.00	-	4,983.37	-	11.00	-

(Rs. in Million)

Particulars	31 March 2018			31 March 2018		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Non-current financial assets						
Non-current investments						
Investment						
- Government securities	-	-	1.31	-	-	-
Security and other deposits	-	-	73.31	-	-	-
Other non-current financial assets	-	-	1.65	-	-	-
Current financial assets						
Current investments						
- Debentures	-	-	60.00	-	-	-
- Mutual funds	291.20	-	-	291.20	-	-
Trade receivables	-	-	2,420.76	-	-	-
Security and other deposits	-	-	87.42	-	-	-
Cash and cash equivalents	-	-	46.30	-	-	-
Other bank balances	-	-	107.13	-	-	-
Other current financial assets	-	-	161.09	-	-	-
Total financial assets	291.20	-	2,958.97	291.20	-	-
Financial liabilities						
Non-current financial liabilities						
Borrowings	-	-	779.09	-	-	-
Trade payables	-	-	105.83	-	-	-
Other non-current financial liabilites	-	-	526.12	-	-	-
Current financial liabilities						
Borrowings	-	-	1,769.32	-	-	-
Trade payables	-	-	784.37	-	-	-
Other current financial liabilites	5.87	-	690.92	-	5.87	-
Total financial liabilities	5.87	-	4,655.65	-	5.87	-

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 39: Financial instruments - Fair value of financial assets and financial liabilities (Continued)

(Rs. in Million)

Particulars	31 March 2017 (Proforma)			31 March 2017 (Proforma)		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Non-current financial assets				-	-	-
Non-current investments				-	-	-
- Government securities	-	-	0.09	-	-	-
Security and other deposits	-	-	17.59	-	-	-
Other non-current financial assets	-	-	15.00	-	-	-
Current financial assets						
Current investment						
- Mutual funds	1.19	-	-	1.19	-	-
- Tax free bonds	164.09	-	-	164.09	-	-
Trade receivables	-	-	1,602.84	-	-	-
Security and other deposits			66.03	-	-	-
Cash and cash equivalents	-	-	33.30	-	-	-
Other bank balances	-	-	148.16	-	-	-
Other current financial assets			261.78			
Total financial assets	165.28	-	2,144.79	165.28	-	-
Non-current financial liabilities						
Borrowings	-	-	631.66	-	-	-
Trade payables	-	-	198.43	-	-	-
Other non-current financial liabilities			304.60	-	-	-
Current financial liabilities						
Borrowings	-	-	2,159.01	-	-	-
Trade payables	-	-	532.90	-	-	-
Other current financial liabilities	48.95	-	666.66	-	48.95	-
Total financial liabilities	48.95	-	4,493.26	-	48.95	-

(Rs. in Million)

Particulars	31 March 2016 (Proforma)			31 March 2016 (Proforma)		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Non current financial assets						
Non current investment						
- Government securities	-	-	0.09	-	-	-
Security and other deposits	-	-	20.81	-	-	-
Other non current financial assets	-	-	17.19	-	-	-
Current financial assets						
Current investment						
- Mutual funds	1.84	-	-	1.84	-	-
- Tax free bonds	220.55	-	-	220.55	-	-
Trade receivables	-	-	1,642.81	-	-	-
Security and other deposits	-	-	59.94	-	-	-
Cash and cash equivalents	-	-	32.03	-	-	-
Other bank balances	-	-	114.15	-	-	-
Other current financial assets	-	-	271.00	-	-	-
Total financial assets	222.39	-	2,158.02	222.39	-	-
Non current financial liabilities						
Borrowings	-	-	976.34	-	-	-
Trade payables	-	-	957.09	-	-	-
Other non current financial liabilites			294.34	-	-	-
Interest accrued but not due on borrowings	-	-	-	-	-	-
Current financial liabilities						
Borrowings	-	-	1,653.64	-	-	-
Trade payables	-	-	-	-	-	-
Other current financial liabilites	23.28	-	543.95	-	23.28	-
Total financial liabilities	23.28	-	4,425.36	-	23.28	-

Note 39: Financial instruments - Fair value of financial assets and financial liabilities (Continued)

(b) Valuation techniques:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximate of their fair values since the Group does not anticipate the carrying amounts would be significantly different from the values that would eventually be received or settled. The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

There has been no transfer between level 3 and level 2 during the reporting periods.

Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requiresclassification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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. This is the case for unlisted equity securities included in level 3.

Assets and liabilities measured at fair value - recurring fair value measurements

The following methods and assumptions were used to estimate the fair values:

The tax free bonds, government securities and mutual funds being listed, the fair value has been taken at the market rates of the same as on the reporting dates.

Note 40: Financial instruments - financial risk management (continued)

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

A Credit risk
B Liquidity risk
C Market risk

Risk management framework

The Group's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is for the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents, other bank balances, investments, loans and other financial assets that derive directly from its operations.

The Group’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework.

The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. The sources of risks which the Group is exposed to and their management is given below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis	Credit worthiness monitoring, credit based approval process.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Currency risk	Foreign receivables and payables	Sensitivity analysis and exchange rate movements	Fund management
Interest rate risk	Borrowing at variable interest rate	Sensitivity analysis and Interest rate movements	Fund management

A Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of 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 with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Group’s credit risk arises principally from the trade receivables, loans, investments, cash and cash equivalents, other bank balances and financial guarantees. None of the financial instruments of the Group result in material concentration of credit risk. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal with creditworthy counterparties.

Cash and cash equivalents

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Derivative financial instruments

Credit risk on derivative instruments are generally low as the Group enters into the derivative contracts with reputed banks and financial institutions.

Trade receivables

Customer credit risk is managed by the Group in accordance to established policy, procedures and control relating to customer credit risk management. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The Group recognises lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

Investments

Investments of surplus funds are made only with approved financial institutions/counterparty. Investment primarily include investment in mutual funds, tax free bonds, debentures. These mutual funds and counterparties have low credit risk.

Loans

Loans mainly consist security deposits. The security deposits mainly pertains to rent deposit given to lessors. The Group does not expect any losses from non-performance by these counterparties.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 40: Financial instruments - financial risk management (Continued)

The following tables provide information about the exposure to credit risk for trade receivables as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016 respectively:

(Rs in Million)

	Gross carrying amount			
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Future dues not impaired				
Less then one year	**2,443.23**	2,340.87	1,502.22	1,518.06
Past due 1-2 years	**53.77**	28.05	2.29	76.50
More than 2 years	**106.91**	67.68	105.15	62.48
	2,603.91	2,436.60	1,609.66	1,657.04

The movement in the provision for bad and doubtful debts for the year ended 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016 is as follows:

Movement in provision for impairment loss recognised under expected credit loss model	**(Rs in Million) Amount**
Balance as at 1 April 2015 (Proforma)	5.97
Movement during the year	8.26
Balance as at 31 March 2016 (Proforma)	14.23
Movement during the year	(7.41)
Balance as at on 31 March 2017 (Proforma)	6.82
Movement during the year	9.02
Balance as at on 31 March 2018	15.84
Movement during the year	50.13
Balance as at on 31 December 2018	**65.97**

B Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group has obtained fund and non-fund based working capital lines from various banks. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities as at 31 December 2018:

(Rs. in Million)

Particulars	**Carrying amount**	**Less than 1 year**	**1 years to 5 years**	**More than 5 years**	**Total**
Trade payables	**1,258.00**	**1,258.00**	**-**	**-**	**1,258.00**
Borrowings (including current maturities of non-current borrowings)	**2,445.05**	**1,942.09**	**502.96**	**-**	**2,445.05**
Other financial liabilities	**1,291.32**	**605.99**	**-**	**685.33**	**1,291.32**
Total	**4,994.37**	**3,806.08**	**502.96**	**685.33**	**4,994.37**

The following are the remaining contractual maturities of financial liabilities as at 31 March 2018:

(Rs. in Million)

Particulars	**Carrying amount**	**Less than 1 year**	**1 years to 5 years**	**More than 5 years**	**Total**
Trade payables	890.20	784.37	105.83	-	890.20
Borrowings (including current maturities of non-current borrowings)	2,748.42	1,969.33	779.09	-	2,748.42
Other financial liabilities	1,022.90	496.78	-	526.12	1,022.90
Total	4,661.52	3,250.48	884.92	526.12	4,661.52

Note 40: Financial instruments - financial risk management (Continued)

The following are the remaining contractual maturities of financial liabilities as at 31 March 2017 (Proforma):

(Rs. in Million)

Particulars	Carrying amount	Less than 1 year	1 years to 5 years	More than 5 years	Total
Trade payables	731.33	532.90	198.43	-	731.33
Borrowings (including current maturities of non-current borrowings)	3,246.47	2,614.81	631.66	-	3,246.47
Other financial liabilities	564.41	259.81	-	304.60	564.41
Total	4,542.21	3,407.52	830.09	304.60	4,542.21

The following are the remaining contractual maturities of financial liabilities as at 31 March 2016 (Proforma):

(Rs. in Million)

Particulars	Carrying amount	Less than 1 year	1 years to 5 years	More than 5 years	Total
Trade payables	957.09	758.66	198.43	-	957.09
Borrowings (including current maturities of non-current borrowings)	3,066.62	2,090.28	976.34	-	3,066.62
Other financial liabilities	424.93	130.59	-	294.34	424.93
Total	4,448.64	2,979.53	1,174.77	294.34	4,448.64

The outflows disclosed in the above table represents the total contractual undiscounted cash flows.

C Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk.

The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

Unhedged foreign currency exposure

(Rs. in Million)

	31 December 2018		31 March 2018		31 March 2017 (Proforma)		31 March 2016 (Proforma)	
	USD	INR	USD	INR	USD	INR	USD	INR
Financial assets								
Trade receivables	**0.77**	**54.38**	3.80	246.90	15.05	983.06	-	-
Other non-current assets (USD)	**2.30**	**162.43**			0.21	13.90	0.01	0.60
Other non-current assets (EUR)	-	-					-	-
Derivative contracts	**(3.07)**	**(216.81)**	(0.52)	(33.92)	(12.21)	(801.06)	-	-
Financial liabilities								
Borrowings (including current maturities of long-term debt)	-	-	5.30	348.06	12.22	798.37	0.06	3.92
Trade payables	**9.08**	**641.19**	2.24	145.10			16.02	1,069.22
Derivative contracts	**(9.08)**	**(641.19)**	(6.32)	(414.52)	(10.43)	(683.54)	(16.02)	(1,069.22)
Net exposure in foreign currency	-	-	2.06	134.34	1.26	81.07	(0.05)	(3.32)

Note 40: Financial instruments - financial risk management (Continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016 would have affected the measurement of financial instruments denominated in foreign currencies and affected Restated Consolidated Summary Statement of Profit and Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Million)

Particulars	Profit and loss			
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
INR/USD strengthening [5% movement (previous year 5%)]	-	6.72	4.05	(0.17)
INR/USD weakening [5% movement (previous year 5%)]	-	(6.72)	(4.05)	0.17

(Rs. in Million)

Particulars	Equity (net of tax)			
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
INR/USD strengthening [5% movement (previous year 5%)]	-	4.39	2.65	(0.11)
INR/USD weakening [5% movement (previous year 5%)]	-	(4.39)	(2.65)	0.11

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The interest rate profile of the Group 's interest bearing financial instruments at the end of the reporting period are as follows:

Exposure to interest rate risk **(Rs. in Million)**

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Fixed rate instruments				
Financial assets	**208.82**	170.84	167.72	129.16
Financial liabilities	**1,834.40**	1,323.85	874.51	526.54
	2,043.22	1,494.69	1,042.23	655.70
Variable rate instruments				
Financial assets	-	-	-	-
Financial liabilities	**2,457.29**	2,759.74	3,247.12	2,795.57
	2,457.29	2,759.74	3,247.12	2,795.57

Sensitivity analysis

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

(Rs. in Million)

Particulars	Profit or loss			
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Variable rate instruments - increase by 50 basis points (0.50%)	**12.29**	13.80	16.24	13.98
Variable rate instruments - decrease by 50 basis points (0.50%)	**(12.29)**	(13.80)	(16.24)	(13.98)

(Rs. in Million)

Particulars	Equity (net of tax)			
	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Variable rate instruments - increase by 50 basis points (0.50%)	**8.03**	9.02	10.62	9.14
Variable rate instruments - decrease by 50 basis points (0.50%)	**(8.03)**	(9.02)	(10.62)	(9.14)

Note 41: Capital management

The objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratio to support its business and maximize shareholders value.

The Group monitors capital on the basis of the following debt equity ratio.

(Rs. in Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Borrowings (including current maturities of non-current borrowings)	**2,445.05**	2,748.42	3,246.47	3,066.62
Current investments	**(1,513.21)**	(351.20)	(163.78)	(222.39)
Cash and cash equivalents	**(125.42)**	(46.30)	(33.30)	(32.03)
Bank balances other than cash and cash equivalents above	**(109.48)**	(107.13)	(148.16)	(114.15)
Net debt (A)	**696.94**	2,243.79	2,901.23	2,698.05
Equity attributable to equity holders of the Group (B)	**6,957.87**	5,642.02	4,572.40	4,285.69
Debt equity ratio (A/B)	**0.10**	0.40	0.63	0.63

Note 42: Segment reporting

a. Basis of segmentation

The Group operates mainly in one business segment i.e. Iron and steel products, being primary segment and all other activities revolve around the main activity. The Group is operating in two geographical segments i.e., in India and Outside. During the year the geographical segment does not meet the condition/ criteria laid down for determination of reportable segment as specified in the Ind AS 108 " Operating Segment ", accordingly the Company operates in single reportable segment i.e., in India. The Group's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

b. Geographic information

The geographic information analyses the Group's revenue from operations and assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(Rs. in Million)

	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Revenue from operations from external customers				
India	**17,983.79**	19,241.39	13,253.60	11,128.45
Outside India	**2,041.71**	2,234.50	1,898.01	491.29
	20,025.50	21,475.89	15,151.61	11,619.74
Carrying amount of segment assets				
India	**12,993.30**	11,363.89	9,980.74	9,720.64
Outside India	**191.71**	142.88	182.00	0.17
	13,185.01	11,506.77	10,162.74	9,720.81

Note 43: Operating lease obligation

The Group has taken various commercial properties on leases for its offices, godowns. The lease expenses in current period amounts to **Rs 54.97 million** (31 March 2018: Rs. 38.76 million; 31 March 2017: Rs 11.41 million; 31 March 2016: Rs 4.60 million) included under "Rent" under the head "Other expenses" (refer note 31). Future minimum rentals payable under non-cancellable operating leases are as follows:

(Rs. in Million)

	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017 (Proforma)	As at 31 March 2016 (Proforma)
Not later than one year	**18.00**	18.00	-	-
Later than one year and not later than five years	**9.00**	22.50	-	-

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 44: Business combination and acquisition of non-controlling interest

(a) Acquisition of Vaikuntha Tradecom Private Limited

Vaikuntha Tradecom Private Limited

On 9 March 2017, the Group acquired 100% stake in Vaikuntha Tradecom Private Limited for consideration Rs 1.11 million.
The following table summarises the acquisition date transaction:

	(Rs. in Million) Amount
Fair value of assets acquired	1.04
Consideration paid	1.11
(Decrease) in equity attributable to the owners of the Group	(0.07)

(b) Acquisition of non controlling interest (NCI)

(i) Shyam Steel Manufacturing Limited

On 31 August 2015, the Group acquired additional 19.55% stake in Shyam Steel Manufacturing Limited for consideration Rs 235.71 million, increasing its ownership from 78.97% to 98.52%.
The following table summarises the acquisition date transaction:

	(Rs. in Million) Amount
Carrying value of NCI acquired	365.45
Consideration paid to NCI	235.71
Increase in equity attributable to the owners of the Group	129.74

On 3 May 2017, the Group acquired additional 1.48% stake in Shyam Steel Manufacturing Limited for consideration Rs 122.43 million, increasing its ownership from 98.52% to 100%.
The following table summarises the acquisition date transaction:

	(Rs. in Million) Amount
Carrying value of NCI acquired	33.42
Consideration paid to NCI	122.43
(Decrease) in equity attributable to the owners of the Group	(89.01)

(ii) Shyam Mining Private Limited

On 1 August 2015, the Group acquired 25% additional stake in Shyam Mining Private Limited for consideration Rs 0.53 million, increasing its ownership from 75% to 100%.

The following table summarises the acquisition date transaction:

	(Rs. in Million) Amount
Carrying value of NCI acquired	0.55
Consideration paid to NCI	0.53
Increase in equity attributable to the owners of the Group	0.02

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 45: List of subsidiaries

Name of the Company	Relation	Country of incorporation	Ownership interest			
			31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
Shyam Steel Energy Private Limited	Wholly owned subsidiary	India	**100.00%**	100.00%	100.00%	100.00%
Shyam Steel Manufacturing Limited	Step down subsidiary	India	**100.00%***	100.00%*	98.52%	98.52%
Vaikuntha Tradecom Private Limited	Step down subsidiary	India	**100.00%****	100.00%**	100.00%**	-
Shyam Mining Private Limited	Step down subsidiary	India	**100.00%**	100.00%	100.00%	100.00%

* 1.48% stake acquired on 3 May 2017

** 100% stake acquired on 9 March 2017

Note 46: Disclosure of additional information pertaining to the Holding Company and Subsidiaries as per Schedule III of Companies Act 2013

31 December 2018

(Rs in Million)

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding								
Shyam Steel Industries Limited	69%	4,795.01	63%	820.97	150%	3.55	63%	824.52
Subsidiaries								
Shyam Steel Energy Private Limited	3%	233.92	-3%	(43.10)	0%	-	-3%	(43.10)
Shyam Steel Manufacturing Limited	49%	3,440.10	39%	505.94	-50%	(1.19)	38%	504.75
Shyam Mining Private Limited	0%	2.05	0%	(0.05)	0%	-	0%	(0.05)
Vaikuntha Tradecom Private Limited	0%	1.04	0%	0.01	0%	-	0%	0.01
Minority interest in all subsidiaries	0%	-	0%	-	0%	-	0%	-
Total elimination due to consolidation	-22%	(1,514.25)	2%	29.72	0%	-	2%	29.72
Total	**100%**	**6,957.87**	**100%**	**1,313.49**	**100%**	**2.36**	**100%**	**1,315.85**

31 March 2018

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding								
Shyam Steel Industries Limited	70%	3,970.49	50%	552.25	101%	(14.04)	50%	538.21
Subsidiaries								
Shyam Steel Energy Private Limited	5%	277.02	-4%	(45.26)	0%	-	-4%	(45.26)
Shyam Steel Manufacturing Limited	52%	2,935.76	43%	473.94	-1%	0.09	44%	474.03
Shyam Mining Private Limited	0%	2.10	0%	0.14	0%	-	0%	0.14
Vaikuntha Tradecom Private Limited	0%	1.04	0%	-	0%	-	0%	-
Minority interest in all subsidiaries	0%	-	0%	-	0%	-	0%	-
Total elimination due to consolidation	-27%	(1,544.39)	10%	112.53	0%	-	10%	112.53
Total	100%	5,642.02	100%	1,093.60	100%	(13.95)	100%	1,079.65

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 46: Disclosure of additional information pertaining to the Holding Company and Subsidiaries as per Schedule III of Companies Act 2013 (Continued)

31 March 2017 (Proforma)

Name of the Company	**Net Assets i.e. total assets minus total liabilities**		**Share in Profit or Loss**		**Share in Other comprehensive income**		**Share in total comprehensive income**	
	As % of consolidated Net Assets	**Amount**	**As % of consolidated Profit or Loss**	**Amount**	**As % of consolidated Other comprehensive income**	**Amount**	**As % of consolidated total comprehensive income**	**Amount**
Holding								
Shyam Steel Industries Limited	76%	3,488.47	100%	447.75	91%	(6.25)	100%	441.50
Subsidiaries								
Shyam Steel Energy Private Limited	7%	332.88	-6%	(25.17)	0%	-	-6%	(25.17)
Shyam Steel Manufacturing Limited	52%	2,390.50	49%	220.72	9%	(0.61)	50%	220.11
Shyam Mining Private Limited	0%	1.96	0%	0.01	0%	-	0%	0.01
Vaikuntha Tradecom Private Limited	0%	1.04	0%	(0.01)	0%	-	0%	(0.01)
Minority interest in all subsidiaries	1%	31.75	-1%	(3.13)	0%	0.01	-1%	(3.12)
Total elimination due to consolidation	-37%	(1,674.20)	-43%	(193.41)	0%	-	-44%	(193.42)
Total	100%	4,572.40	100%	446.76	100%	(6.86)	100%	439.90

31 March 2016 (Proforma)

Name of the Company	**Net Assets i.e. total assets minus total liabilities**		**Share in Profit or Loss**		**Share in Other comprehensive income**		**Share in total comprehensive income**	
	As % of consolidated Net Assets	**Amount**	**As % of consolidated Profit or Loss**	**Amount**	**As % of consolidated Other comprehensive income**	**Amount**	**As % of consolidated total comprehensive income**	**Amount**
Holding								
Shyam Steel Industries Limited	75%	3,196.96	69%	51.27	158%	(2.81)	67%	48.46
Subsidiaries								
Shyam Steel Energy Private Limited	8%	358.06	-35%	(25.90)	0%	-	-36%	(25.90)
Shyam Steel Manufacturing Limited	51%	2,166.03	17%	12.62	-57%	1.02	19%	13.64
Shyam Mining Private Limited	0%	1.95	0%	(0.25)	0%	-	0%	(0.25)
Minority interest in all subsidiaries	-1%	(28.63)	-4%	(2.90)	-6%	0.10	-4%	(2.80)
Total elimination due to consolidation	-33%	(1,408.68)	53%	39.16	5%	(0.09)	54%	39.07
Total	100%	4,285.69	100%	74.00	100%	(1.78)	100%	72.22

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 47: Specified bank note

During the year 2016- 2017, the Group entities domiciled in India had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 31 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified bank notes*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	10.00	1.29	11.29
Add: Permitted receipts	-	3.79	3.79
Less: Permitted payments	-	2.12	2.12
Less: Amount deposited in banks	10.00	-	10.00
Closing cash in hand as on 30 December 2016	-	2.96	2.96

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

Note 48: Subsequent event

The equity shareholders of the Holding Company, Shyam Steel Industries Limited, at the Extraordinary General Meeting (EGM) held on 15 March 2019 has approved the following resolutions:

(i) Further issue of equity shares by way of bonus shares to the existing equity shareholders in the ratio of 9:1 (i.e. nine bonus equity shares for one existing equity shares);

(ii) Reclassification of Authorised Preference Share capital of the Holding Company comprising of 2,000,000 numbers of Preference shares of Rs 10 face value / share aggregating to Rs 20.00 million to Equity Share capital comprising of 2,000,000 number of equity shares of Rs 10 face value / share aggregating to Rs 20.00 million.

(iii) Increase in Authorised Equity share capital of the Holding Company and consequent alteration of the Memorandum of Association of the Holding Company from 10,000,000 (Ten million) number of Equity Shares of Rs 10 / share to 70,000,000 (Seventy million) numbers of Equity Shares of Rs 10 / share.

Note 49: Transition to Ind AS

Basis for preparation

These are the Group's first Restated Consolidated Summary financial statements prepared in accordance with Ind AS. The accounting policies have been applied in preparing these Restated Consolidated Summary financial statements for the period ended 31 December 2018 including the comparative information for the year ended 31 March 2018, 31 March 2017, 31 March 2016. In preparing its Ind AS balance sheet as at 31 December 2018 and in presenting the comparative information, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

An explanation of how the transition from previous GAAP to Ind AS has affected the financial position is set out in the following tables and the notes that accompany the table.

Optional exemptions availed

a Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.
The Group has not applied Ind AS 103 to acquisitions of businesses under Ind AS, that occurred before the transition date i.e., 1 April 2017. Accordingly, business combinations occurring prior to the transition date have not been restated.

b Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:
(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of
revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
– fair value;
– or cost or depreciated cost under Ind AS adjusted to reflect.
The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, intangible assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).
(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.
As permitted by Ind AS 101, the Group has elected to fair value all the items of property, plant and equipment. Intangible assets have been carried at previous GAAP carrying value. There is no decommissioning liabilities to be incurred by the Group relating to property, plant and equipment.

c Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Group has elected to avail of above exemption.

Mandatory exceptions

a Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:
-Fair Valuation of financial instruments carried at FVTPL.
-Impairment of financial assets based on the expected credit loss model.
-Determination of the discounted value for financial instruments carried at amortised cost.

b De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Group has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

c Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

d Non-controlling interests (NCI)

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS. However, if an entity elects to apply Ind AS 103 retrospectively to past business combinations, it has to also apply Ind AS 110 from the same date. Since the Group has elected to apply Ind AS 103 prospectively to business combinations that occurred on or after 1 April 2017, it does not have any impact on the carrying value of NCI.

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 49: Transition to Ind AS (Continued)

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and previous Indian GAAP on the Group's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS.

Reconciliation between previous Indian GAAP and Ind AS of items of balance sheet

Reconciliation of equity as at 31 March 2018 **(Rs. in Million)**

Particulars	Notes	Previous GAAP*	Ind AS adjustments	Ind AS	Restatement adjustments ^	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	a	3,095.60	1,573.77	4,669.37	-	4,669.37
Capital work-in-progress		632.46	(2.21)	630.25	-	630.25
Intangible assets		6.15	-	6.15	-	6.15
Investment property		16.59	-	16.59	-	16.59
Financial assets		-	-	-	-	-
Investments	b	1.34	(0.03)	1.31	-	1.31
Loans	b	85.24	(11.93)	73.31	-	73.31
Other financial assets		1.65	-	1.65	-	1.65
Deferred tax assets (net)		-	-	-	-	-
Other non-current asset		86.44	(0.01)	86.43	-	86.43
Non-current tax assets (net)		61.45	14.54	75.99	-	75.99
Total non-current assets		**3,986.92**	**1,574.13**	**5,561.05**	**-**	**5,561.05**
Current assets						
Inventories		2,014.66	-	2,014.66	-	2,014.66
Financial assets		-	-	-	-	
Investments	b	350.51	0.69	351.20	-	351.20
Trade receivables	f	2,396.16	24.60	2,420.76	-	2,420.76
Cash and cash equivalents		46.30	-	46.30	-	46.30
Bank balances other than above		107.13	-	107.13	-	107.13
Loans		87.42	-	87.42	-	87.42
Other financial assets	d	160.11	0.98	161.09	-	161.09
Other current assets	b	755.92	1.24	757.16	-	757.16
Total current assets		**5,918.21**	**27.51**	**5,945.72**	**-**	**5,945.72**
Total assets		**9,905.13**	**1,601.64**	**11,506.77**	**-**	**11,506.77**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		62.00	-	62.00	-	62.00
Other equity		4,482.19	1,046.36	5,528.55	51.47	5,580.02
Total equity		**4,544.19**	**1,046.36**	**5,590.55**	**51.47**	**5,642.02**
Liabilities						
Non-current liabilities						
Financial liabilities				-		
Borrowings	c	781.36	(2.27)	779.09	-	779.09
Trade payables		-	-	-	-	-
A.Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises.		105.83	-	105.83	-	105.83
Other financial liabilities		526.12	-	526.12	-	526.12
Provisions		74.75	-	74.75	-	74.75
Deferred tax liabilities (net)	h	61.59	398.84	460.43	43.33	503.76
Other non-current liabilities	e	-	107.37	107.37	(84.81)	22.56
Total non-current liabilities		**1,549.65**	**503.94**	**2,053.59**	**(41.48)**	**2,012.11**
Current liabilities						
Financial liabilities						
Borrowings	c	1,733.45	35.87	1,769.32	-	1,769.32
Trade payables		-	-	-	-	-
A.Total outstanding dues of micro enterprises and small enterprises		13.69	-	13.69	-	13.69
B. Total outstanding dues of creditors other than micro enterprises and small enterprises.		770.68	-	770.68	-	770.68
Derivatives		-	-	-	-	
Other financial liabilities	d	694.68	2.11	696.79	-	696.79
Other current liabilities	e	465.23	12.15	477.38	(9.99)	467.39
Provisions	g	13.37	1.21	14.58	-	14.58
Current tax liabilities (net)		120.19	-	120.19	-	120.19
Total current liabilities		**3,811.29**	**51.34**	**3,862.63**	**(9.99)**	**3,852.64**
Total liabilities		**5,360.94**	**555.28**	**5,916.22**	**(51.47)**	**5,864.75**
Total equity and liabilities		**9,905.13**	**1,601.64**	**11,506.77**	**-**	**11,506.77**

Note 49: Transition to Ind AS (Continued)

Reconciliation of equity as at 31 March 2017 (Proforma) **(Rs. in Million)**

Particulars	Notes	Previous GAAP*	Ind AS adjustments	Ind AS	Restatement adjustments ^	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	a	3,096.72	1,734.20	4,830.92	-	4,830.92
Capital work-in-progress		163.49	-	163.49	-	163.49
Intangible assets		1.24	-	1.24	-	1.24
Investment property		13.27	-	13.27	-	13.27
Financial assets		-	-	-	-	-
Investments	b	1.64	(0.05)	1.59	-	1.59
Loans	b	19.82	(2.23)	17.59	-	17.59
Other financial assets		15.00	-	15.00	-	15.00
Deferred tax assets (net)		-	-	-	-	-
Other non-current assets		77.41	(0.44)	76.97	-	76.97
Non-current tax assets (net)		96.15	-	96.15	-	96.15
Total non-current assets		**3,484.74**	**1,731.48**	**5,216.22**	**-**	**5,216.22**
Current assets						
Inventories		1,428.58	-	1,428.58	-	1,428.58
Financial assets		-	-	-		
Investments	b	163.97	(0.19)	163.78	-	163.78
Trade receivables	f	1,511.40	91.44	1,602.84	-	1,602.84
Cash and cash equivalents		33.30	-	33.30	-	33.30
Bank balances other than above		148.16	-	148.16	-	148.16
Loans		66.03	-	66.03	-	66.03
Other financial assets	d	291.97	(30.19)	261.78	-	261.78
Other current assets	b	1,239.44	2.60	1,242.04	-	1,242.04
Total current assets		**4,882.85**	**63.66**	**4,946.51**	**-**	**4,946.51**
Total assets		**8,367.59**	**1,795.14**	**10,162.73**	**-**	**10,162.73**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		62.00	-	62.00		62.00
Other equity		3,272.39	1,052.59	4,324.98	185.42	4,510.40
Total equity attributable to the equity holders of the group		**3,334.39**	**1,052.59**	**4,386.98**	**185.42**	**4,572.40**
Non-controlling interest		25.84	5.91	31.75	-	31.75
Total equity		**3,360.23**	**1,058.50**	**4,418.73**	**185.42**	**4,604.15**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	c	633.11	(1.45)	631.66	-	631.66
Trade payables						
A.Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	
B. Total outstanding dues of creditors other than micro enterprises and small enterprises.		198.43	-	198.43	-	198.43
Other financial liabilities		304.60	-	304.60	-	304.60
Provisions		50.13	-	50.13	-	50.13
Deferred tax liabilities (net)	h	52.65	358.92	411.57	98.13	509.70
Other non-current liabilities	e	-	285.00	285.00	(260.30)	24.70
Total non-current liabilities		**1,238.92**	**642.47**	**1,881.39**	**(162.17)**	**1,719.22**
Current liabilities						
Financial liabilities						
Borrowings	c	2,064.16	94.85	2,159.01	-	2,159.01
Trade payables		-	-			
A.Total outstanding dues of micro enterprises and small enterprises		8.74	-	8.74	-	8.74
B. Total outstanding dues of creditors other than micro enterprises and small enterprises.		524.16	-	524.16	-	524.16
Other financial liabilities	e	741.68	(26.07)	715.61	-	715.61
Other current liabilities	g	386.12	25.39	411.51	(23.25)	388.26
Provisions		7.41	-	7.41	-	7.41
Current tax liabilities (net)		36.17	-	36.17	-	36.17
Total current liabilities		**3,768.44**	**94.17**	**3,862.61**	**(23.25)**	**3,839.36**
Total liabilities		**5,007.36**	**736.64**	**5,744.00**	**(185.42)**	**5,558.58**
Total equity and liabilities		**8,367.59**	**1,795.14**	**10,162.73**	**-**	**10,162.73**

SHYAM STEEL INDUSTRIES LIMITED

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 49: Transition to Ind AS (Continued)

Reconciliation of equity as at 31 March 2016 (Proforma) **(Rs. in Million)**

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments ^	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	a	3,254.43	2,186.44	5,440.87	-	5,440.87
Capital work-in-progress		64.45		64.45	-	64.45
Intangible assets		0.73	-	0.73	-	0.73
Investment property		-	-			
Financial assets		-	-			
Investments		0.09	-	0.09	-	0.09
Loans	b	24.24	(3.43)	20.81	-	20.81
Other financial assets		17.19	-	17.19	-	17.19
Deferred tax assets (net)		-	-	-	-	
Other non-current assets		48.62	2.16	50.78	-	50.78
Non-current tax assets (net)		97.42	-	97.42	-	97.42
Total non-current assets		**3,507.17**	**2,185.17**	**5,692.34**	**-**	**5,692.34**
Current assets						
Inventories		916.40	-	916.40	-	916.40
Financial assets						
Investments	b	219.72	2.67	222.39	-	222.39
Trade receivables	f	1,639.52	3.29	1,642.81	-	1,642.81
Cash and cash equivalents		32.03	-	32.03	-	32.03
Bank balances other than above		114.15	-	114.15	-	114.15
Loans		59.94	-	59.94	-	59.94
Derivatives		-	-	-	-	
Other financial assets	d	298.67	(27.67)	271.00	-	271.00
Other current assets	b	768.46	1.29	769.75	-	769.75
Total current assets		**4,048.89**	**(20.42)**	**4,028.47**	**-**	**4,028.47**
Total assets		**7,556.06**	**2,164.75**	**9,720.81**	**-**	**9,720.81**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		65.00	-	65.00	-	65.00
Other equity		2,649.57	1,377.34	4,026.91	193.78	4,220.69
Total equity attributable to the equity holders of the group		**2,714.57**	**1,377.34**	**4,091.91**	**193.78**	**4,285.69**
Non-controlling interest		20.61	8.02	28.63	-	28.63
Total equity		**2,735.18**	**1,385.36**	**4,120.54**	**193.78**	**4,314.32**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	c	979.47	(3.13)	976.34	-	976.34
Trade payables						
A.Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	
B. Total outstanding dues of creditors other than micro enterprises and small enterprises.		198.43	-	198.43	-	198.43
Other financial liabilities		294.34	-	294.34	-	294.34
Provisions		33.27	-	33.27	-	33.27
Deferred tax liabilities (net)	h	16.44	464.51	480.95	102.56	583.51
Other non-current liabilities	e	-	300.82	300.82	(273.99)	26.83
Total non-current liabilities		**1,521.95**	**762.20**	**2,284.15**	**(171.43)**	**2,112.72**
Current liabilities						
Financial liabilities						
Borrowings	c	1,639.51	14.13	1,653.64	-	1,653.64
Trade payables						
A.Total outstanding dues of micro enterprises and small enterprises		6.27	-	6.27	-	6.27
B. Total outstanding dues of creditors other than micro enterprises and small enterprises.		752.39	-	752.39	-	752.39
Derivatives		-	-	-	-	
Other financial liabilities	d	588.68	(21.45)	567.23	-	567.23
Other current liabilities	e	308.18	24.51	332.69	(22.35)	310.34
Provisions		3.90	-	3.90	-	3.90
Total current liabilities		**3,298.93**	**17.19**	**3,316.12**	**(22.35)**	**3,293.77**
Total liabilities		**4,820.88**	**779.39**	**5,600.27**	**(193.78)**	**5,406.49**
Total equity and liabilities		**7,556.06**	**2,164.75**	**9,720.81**	**-**	**9,720.81**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

^ Refer Annexure VII

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 49: Transition to Ind AS (Continued)

Reconciliation between previous GAAP and Ind AS of items of Restated Consolidated Summary Statement of Profit and Loss

Reconciliation of total comprehensive income for the year ended 31 March 2018 (Rs. in Million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments ^	Restated Ind AS
Income						
Revenue from operations	i	21,531.85	(269.49)	21,262.36	213.53	21,475.89
Other income		134.47	18.68	153.15	-	153.15
Total income		**21,666.32**	**(250.81)**	**21,415.51**	**213.53**	**21,629.04**
Expenses				-		
Cost of materials consumed		13,137.21	-	13,137.21	-	13,137.21
Purchases of stock in trade		514.10	-	514.10	-	514.10
Changes in inventories of finished goods, stock in trade and work in progress		(84.83)	-	(84.83)	-	(84.83)
Excise duty		467.10	-	467.10	-	467.10
Employee benefit expense	g	1,011.89	(20.22)	991.67	-	991.67
Finance costs	c	360.96	(12.70)	348.26	-	348.26
Depreciation and amortisation expense	a	322.00	264.56	586.56	-	586.56
Other expenses	i	4,054.40	(262.38)	3,792.02	412.04	4,204.06
Total expenses		**19,782.83**	**(30.74)**	**19,752.09**	**412.04**	**20,164.13**
Consolidated profit before tax		**1,883.49**	**(220.07)**	**1,663.42**	**(198.51)**	**1,464.91**
				-		
Income tax expense				-		
-Current tax		402.35	-	402.35	-	402.35
-Income tax for earlier years		(0.11)	-	(0.11)	-	(0.11)
-Deferred tax	h	(106.67)	130.54	23.87	(54.80)	(30.93)
Total tax expense		**295.57**	**130.54**	**426.11**	**(54.80)**	**371.31**
Consolidated profit for the year (A)		**1,587.92**	**(350.61)**	**1,237.31**	**(143.71)**	**1,093.60**
Consolidated other comprehensive income						
Remeasurements of the net defined benefit obligation	g	-	(21.44)	(21.44)	-	(21.44)
Income tax relating to the above	g	-	7.49	7.49	-	7.49
Consolidated other comprehensive income for the year (B)		**-**	**(13.95)**	**(13.95)**	**-**	**(13.95)**
Consolidated total comprehensive income for the year (A+B)		**1,587.92**	**(364.56)**	**1,223.36**	**(143.71)**	**1,079.64**

Reconciliation of total comprehensive income for the year ended 31 March 2017 (Proforma) (Rs. in Million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments ^	Restated Ind AS
Income						
Revenue from operations	i	14,927.74	(87.95)	14,839.79	311.82	15,151.61
Other income		71.72	1.34	73.06	-	73.06
Total income		**14,999.46**	**(86.61)**	**14,912.85**	**311.82**	**15,224.67**
Expenses						
Cost of materials consumed		8,505.43	-	8,505.43	-	8,505.43
Purchases of stock in trade		17.49	-	17.49	-	17.49
Changes in inventories of finished goods, stock in trade and work in progress		(156.14)	-	(156.14)	-	(156.14)
Excise duty		1,400.18	-	1,400.18	-	1,400.18
Employee benefit expense	g	561.65	(10.49)	551.16	-	551.16
Finance costs	c	361.21	(50.74)	310.47	-	310.47
Depreciation and amortisation expense	a	375.06	452.26	827.32	-	827.32
Other expenses	i	2,943.24	(64.02)	2,879.22	324.61	3,203.83
Total expenses		**14,008.12**	**327.01**	**14,335.13**	**324.61**	**14,659.74**
Consolidated profit before tax		**991.34**	**(413.62)**	**577.72**	**(12.79)**	**564.93**
Income tax expense						
-Current tax		64.42	120.98	185.40	-	185.40
-Income tax for earlier years		2.95	-	2.95	-	2.95
-Deferred tax	h	177.95	(243.70)	(65.75)	(4.43)	(70.18)
Total tax expense		**245.32**	**(122.72)**	**122.60**	**(4.43)**	**118.17**
Consolidated profit for the year (A)		**746.02**	**(290.90)**	**455.12**	**(8.36)**	**446.76**
Consolidated other comprehensive income						
Remeasurements of the net defined benefit obligation	g	-	**(10.49)**	(10.49)	-	(10.49)
Income tax relating to the above	g	-	**3.63**	3.63	-	3.63
Consolidated other comprehensive income for the year (B)		**-**	**(6.86)**	**(6.86)**	**-**	**(6.86)**
Consolidated total comprehensive income for the year (A+B)		**746.02**	**(297.76)**	**448.26**	**(8.36)**	**439.90**

Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)

Note 49: Transition to Ind AS (Continued)

Reconciliation of total comprehensive income for the year ended 31 March 2016 (Proforma) **(Rs. in Million)**

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments ^	Restated Ind AS
Income						
Revenue from operations	i	11,408.45	(10.20)	11,398.25	221.49	11,619.74
Other income		68.35	2.51	70.86	-	70.86
Total income		**11,476.80**	**(7.69)**	**11,469.11**	**221.49**	**11,690.60**
Expenses						
Cost of materials consumed		6,313.35	-	6,313.35	-	6,313.35
Purchases of stock in trade		28.07	-	28.07	-	28.07
Changes in inventories of finished goods, stock in trade and work in progress		209.48	-	209.48	-	209.48
Excise duty		1,080.67	-	1,080.67	-	1,080.67
Employee benefit expense	g	336.65	(2.73)	333.92	-	333.92
Finance costs	c	405.92	(56.92)	349.00	-	349.00
Depreciation and amortisation expense	a	383.71	450.50	834.21	-	834.21
Other expenses	i	2,139.04	18.97	2,158.01	211.77	2,369.78
Total expenses		**10,896.89**	**409.82**	**11,306.71**	**211.77**	**11,518.48**
Consolidated profit before tax		**579.91**	**(417.51)**	**162.40**	**9.72**	**172.12**
Income tax expense						
-Current tax		13.70	107.37	121.07	-	121.07
-Income tax for earlier years		1.11	-	1.11	-	1.11
-Deferred tax	h	-	(33.62)	(33.62)	9.56	(24.06)
Total tax expense		**14.81**	**73.75**	**88.56**	**9.56**	**98.12**
Consolidated profit for the year (A)		**565.10**	**(491.26)**	**73.84**	**0.16**	**74.00**
Consolidated other comprehensive income						
Remeasurements of the net defined benefit obligation	g	-	(2.73)	(2.73)	-	(2.73)
Income tax relating to the above	g	-	0.95	0.95	-	0.95
Consolidated other comprehensive income for the year (B)		-	**(1.78)**	**(1.78)**	**-**	**(1.78)**
Consolidated Total comprehensive income for the year (A+B)		**565.10**	**(493.04)**	**72.06**	**0.16**	**72.22**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

^ Refer Annexure VII

Reconciliation between previous GAAP and Ind AS of items of Restated Consolidated Statement of Cash flows for the year ended 31 March 2018, 31 March 2017 (Proforma) and 31 March 2016 (Proforma)

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Note 49: Transition to Ind AS (Continued)

First time adoption of Ind AS

a Fair valuation of property, plant and equipment

Under the previous GAAP, property, plant and equipment were stated at their original cost less accumulated depreciation and impairment loss, if any. The Group has opted for valuing all the items of property, plant and equipment at its fair value on the date of transition. As a result of such fair valuation the depreciation expenses has increased.

b Fair valuation of financial asset

Under the previous GAAP, investment in debentures and tax free bonds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, long term investments are classified as debt instrument measured at fair value through profit and loss (FVTPL).

Under previous GAAP, the interest free security deposit were carried at cost. Under Ind AS the same are measured at fair value on initial recognition and subsequently measured at amortised cost.

Under previous GAAP, investment in Mutual funds are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, the Group has designated such investments as FVTPL , which are measured at fair value. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

c Borrowings

Under previous GAAP, the transaction costs on borrowing were charged off to restated consolidated summary statement of profit and loss or capitalized with the qualifying asset as per the application of the corresponding borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the restated consolidated summary statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

The bills discounted do not meet the derecognition criteria, hence they have been included in borrowings.

d Fair valuation of derivative instrument

Under previous GAAP, in case of forward contracts covered under AS 11, difference between forward rate and spot rate was recognised in Restated Statement of Profit and Loss over the term of contract. Under Ind AS, derivative financial instruments are measured at fair value through the restated consolidated summary statement of profit and loss.

e Government grant

The Group has received government grants against the capital expenditure incurred. Under the previous GAAP, the aforesaid grants were carried under capital reserve. Under Ind AS, government grants received against depreciable assets shall be credited to the statement of profit and loss over the useful life of the respective assets. The impact as at the date of transition has been adjusted through retained earnings.

f Trade receivables

Under previous GAAP, the Group had created provision for doubtful debts based on specific amount for incurred losses. Under Ind AS, the allowance for doubtful debts has been determined based on expected credit loss model.

The bills discounted in included in trade receivables as they do not meet the derecognition criteria.

g Remeasurement of the defined benefit plans reclassified to OCI

Under previous GAAP, the Group recognised remeasurement of defined benefit plans under restated consolidated summary statement of profit and loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

h Deferred Tax

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Group has to account for such differences.

Under the previous GAAP, the Hon'ble High Court of Calcutta vide its dictation order dated 12 May 2008 has allowed the Group to utilize the securities premium account shown under the head ‘Reserves and Surplus’ towards meeting the deferred tax liability computed as per the Accounting Standard on ‘Accounting for Taxes on Income’ (AS-22). Under Ind AS, the Group has appropriately recognised the same in deferred tax in the restated consolidated summary statement of profit and loss.

i Revenue from operations

Under the previous GAAP, volume linked discounts was recognised as rebates and discounts are disclosed under the head other expenses. As per the five step model of Ind AS 115, the volume linked discounts fall under variable consideration and need to be disclosed as net of revenue.

j Re-classifications

The Group has done the following reclassifications as per the requirements of Ind-AS :

1. Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
2. Excise duty on sales was earlier netted off with sales, has now been presented separately as an expenditure.

Note 50: Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its transactions are at arm’s length so that the aforesaid legislation will not have any impact on the Restated Consolidated Financial Statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Note 51: Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under Ind AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

Note 52: The Restated Consolidated Financial Information were approved for issue by the board of directors on 27 May 2019.

Annexure VII - Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements

Reconciliation of total equity as per audited consolidated financial statements with total equity as per Restated Consolidated Financial Information as at 31 March 2017 (Proforma)

The Proforma Consolidated Financial Information of the Group as at and for the year ended 31 March 2017 and 31 March 2016, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1 April 2017) while preparing the Consolidated Proforma Financial Information for the FY 2016-17 and FY 2015-16 and accordingly suitable restatement adjustments in the accounting heads has been made in the Consolidated Proforma Financial Information. As specified in the Guidance Note, the equity balance computed under Proforma Consolidated Ind AS Financial Statements for the year ended 31 March 2017 and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. 1 April 2017), prepared for filing under Companies Act, 2013, differs due to proforma adjustments made as at 1 April 2016 and 1 April 2015. Accordingly, the closing equity balance as at 31 March 2017 of the Proforma Consolidated Ind AS financial statements has not been carried forward to opening Ind AS balance sheet as at transition date already adopted for reporting under Companies Act, 2013. The reconciliation of the between two is explained below:

(Rs. in Million)

Particulars	**Amount**
Total Equity as per Restated Consolidated Financial Information 31 March 2017 (Proforma)	**4,604.15**
Adjustments pertaining to impact of Ind-AS principles applied on proforma basis:	
On account of measuring property, plant and equipment at fair value	113.10
On account of remeasurment of non-controlling interest	(1.17)
Impact of tax on above	(32.47)
	79.46
Total equity as per Consolidated financial information 1 April 2017	**4,683.61**

Summarised below are the restatement adjustments made to the Audited Consolidated Financial Statements of the Group for the nine months period ended 31 December 2018 and years ended 31 March 2018, 31 March 2017 (Proforma) and 31 March 2016 (Proforma) and their impact on the profit of the Group:

Particulars	**For the nine months period ended 31 December 2018**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017 (Proforma)**	**For the year ended 31 March 2016 (Proforma)**
A. Profit after tax and before restatement	**1,318.39**	**1,237.31**	**455.12**	**73.84**
B. Adjustments (refer note below)	(4.90)	(143.71)	(8.36)	0.16
C. Profit after tax as per Restated Consolidated Summary Statement of Profit and Loss (A+B)	**1,313.49**	**1,093.60**	**446.76**	**74.00**

Particulars	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017 (Proforma)**	**As at 31 March 2016 (Proforma)**
A. Total equity before restatement	**6,911.28**	**5,590.55**	**4,418.73**	**4,120.54**
B. Adjustments (refer note below)	46.59	51.47	185.42	193.78
C. Total Equity as Restated Consolidated Summary Statement of Assets and Liabilities (A+B)	**6,957.87**	**5,642.02**	**4,604.15**	**4,314.32**

Notes to adjustments:

a) The Group has adopted the principles of Ind AS 115 "Revenue from Contract with Customers" issued by the MCA with effect from 1 April 2018. The change in accounting policy was given effect to retrospectively in the Restated Consolidated Financial Informations of the Group.

b) The Group has adopted Ind AS 20 " Accounting for Government Grants and Disclosure of Government Assistance"issued by the MCA. The Group has accounted for the government grant received against capital expenditure as deffered revenue grant.

SHYAM STEEL INDUSTRIES LIMITED

Annexure VIII - Restated Consolidated Statement of Capitalisation

(Rs. in Million)

Particulars	Pre-issue as at 31 December 2018	As adjusted or the proposed issue [refer note (ii)]
Non current borrowings (including current maturity) (A)	588.27	[.]
Current borrowings	1,856.78	[.]
Total Borrowing (B)	**2,445.05**	
Equity share capital	62.00	[.]
Other equity	6,895.87	[.]
Total Equity (C)	**6,957.87**	
Ratio: Non current borrowings/Total Equity [A/C]	**0.08**	
Ratio: Total borrowings/Total Equity [B/C]	**0.35**	

Notes

(i) The above has been computed on the basis of the Restated Consolidated Financial Statement - Annexure I and Annexure II.

(ii)The corresponding figures (as adjusted for issue) are not determinable at this stage and hence have not been furnished.

(iii) The above Annexure should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Shyam Steel Industries Limited
CIN: U27100WB2002PLC094339

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Purushottam Beriwala
Whole-time Director
DIN: 00006215

Lalit Beriwala
Whole-time Director
DIN: 00006198

Nikunj Beriwal
Chief Financial Officer
Place: Kolkata
Date: 27 May 2019

Prashant Damani
Company Secretary
Place: Kolkata
Date: 27 May 2019

Place: Kolkata
Date: 27 May 2019

Annexure IX - Restated Consolidated Statement of Accounting Ratios

(i) Statement of Accounting Ratios (after bonus)

(Amounts in Rs. Million)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
A. Profit available to equity shareholders for the period/year	**1,313.49**	1,093.01	443.63	71.10
B. Earnings before interest, taxes, depreciation and amortisation	**2,369.87**	2,399.74	1,702.72	1,355.33
C. Weighted average number of equity shares outstanding during the period/year	**62.00**	62.00	64.99	65.00
D. Net worth attributable to equity shareholders	**6,957.87**	5,642.02	4,572.40	4,285.69
E. Number of equity shares outstanding at the period/year	**62.00**	62.00	62.00	65.00
F. Accounting ratios				
Basic and Diluted Earning per share (A)/(C)* (Rs per share) (Refer note 38)	**21.19**	17.63	6.83	1.09
Return on Net worth for Equity shareholders (A)/(D)	**18.88%**	19.37%	9.70%	1.66%
Net Asset value per share (D)/(E) (Rs per share)	**112.22**	91.00	73.75	65.93

(ii) Statement of Accounting Ratios (before bonus)

Particulars	31 December 2018	31 March 2018	31 March 2017 (Proforma)	31 March 2016 (Proforma)
A. Profit available to equity shareholders for the period/year	**1,313.49**	1,093.01	443.63	71.10
B. Earnings before interest, taxes, depreciation and amortisation	**2,369.87**	2,399.73	1,702.72	1,355.33
C. Weighted average number of equity shares outstanding during the period/year	**6.20**	6.20	6.50	6.50
D. Net worth attributable to equity shareholders	**6,957.87**	5,642.02	4,572.40	4,285.69
E. Number of equity shares outstanding at the period/year	**6.20**	6.20	6.20	6.50
F. Accounting ratios				
Basic and Diluted Earning per share (A)/(C)* (Rs per share)	**211.85**	176.29	68.26	10.94
Return on Net worth for Equity shareholders (A)/(D)	**18.88%**	19.37%	9.70%	1.66%
Net Asset value per share (D)/(E) (Rs per share)	**1,122.24**	910.00	737.48	659.34

* Earnings per share for the nine months ended 31 December 2018 is not annualised.

Annexure IX - Restated Consolidated Statement of Accounting Ratios (Continued)

Notes

(i) The above Annexure should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

(ii) 'Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) held on 15 March 2019, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 9:1 i.e. nine bonus equity shares for one existing equity shares.

(iii) The ratios have been computed as follows:

Earning Per Share (Basic)= Restated Consolidated profit for the year available for equity shareholders / Weighted average number of equity shares outstanding during the year

Return on Net worth (%) = Restated Consolidated profit for the year available for equity shareholders / Restated Consolidated net worth at the end of the year

Net Asset Value per Share (Rs.) = Restated Consolidated net worth at the end of the year / Number of equity shares outstanding at the year end

Earnings before interest, taxes, depreciation ad amortisation = (Profit before tax + Finance cost + depreciation and amortisation expenses.)

Earnings per share and Net asset value per share also have been adjusted for all the periods presented after giving effect to allotment of bonus shares in the ratio of nine equity share of Rs 10 each for every one equity shares.

(iv) Net worth for ratios mentioned in note D above is =[Equity share capital + Other Equity]

(v) Other equity = (Capital reserve on consolidation + Securities Premium + Capital redemption reserve + Capital reserve + Retained earnings)

(vi) Earnings per share calculations are in accordance with Ind AS 33 " Earning Per Share"

(vii) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

As per our examination report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 27 May 2019

For and on behalf of the Board of Directors of
Shyam Steel Industries Limited
CIN: U27100WB2002PLC094339

Purushottam Beriwala
Whole-time Director
DIN: 00006215

Lalit Beriwala
Whole-time Director
DIN: 00006198

Nikunj Beriwal
Chief Financial Officer
Place: Kolkata
Date: 27 May 2019

Prashant Damani
Company Secretary
Place: Kolkata
Date: 27 May 2019

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at December 31, 2018, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 255, 171 and 23, respectively.

(In Rs. million)

Particulars	Pre-Issue as at December 31, 2018	As adjusted for the proposed Issue
Non-current borrowings (including current maturity) (A)	588.27	
Current borrowings	1,856.78	
Total Borrowing (B)	**2,445.05**	
Equity share capital	62.00	
Other equity	6,895.87	
Total Equity (C)	**6,957.87**	
Ratio: Non-current borrowings/Total Equity [A/C]	**0.08**	
Ratio: Total borrowings/Total Equity [B/C]	**0.35**	

Note: Terms used in the above table, namely, non-current borrowings (including current maturity), current borrowings, equity share capital and other equity shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

Pursuant to the Shareholders' resolution dated March 15, 2019, our Company had approved (i) issuance of bonus shares in the ratio of 9:1, and (ii) reclassification of the authorised preference share capital into authorised equity share capital. Subsequently, pursuant to the Board resolution dated May 16, 2019, bonus shares were allotted to 20 allottees and accordingly, the total issued equity share capital of our Company is 70,000,000 Equity Shares. For further details, see "Capital Structure - Notes to the capital structure - Equity Share capital history of our Company – Allotment made on May 16, 2019", on pages 60 - 61.

i. The above has been computed on the basis of the Restated Consolidated Financial Information - Annexure I and Annexure II.
ii. The corresponding figures (as adjusted for Issue) are not determinable at this stage and hence have not been furnished.
iii. The above annexures should be read in conjunction with the Summary Statement of Significant Accounting Policy appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

OTHER FINANCIAL INFORMATION

1. The standalone financial statements of our Company as at and for the year ended March 31, 2018, March 31, 2017, and March 31, 2016 and the reports thereon dated September 29, 2018, July 24, 2017 and August 3, 2016, respectively ("**Standalone Financial Statements**") are available at https://shyamsteel.com/financials/. Our Company is providing a link to this website solely to comply with the requirements specified under the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any of its Subsidiaries, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

2. For details of accounting ratios, see "*Financial Statements – Annexure IX – Restated Consolidated Statement of Accounting Ratios*" on page 248.

FINANCIAL INDEBTEDNESS

The following table sets forth details of the aggregate outstanding borrowings of our Company and our Subsidiaries as on March 31, 2019:

Category of borrowing	Sanctioned amount *(in Million ₹)*	Outstanding amount as at March 31, 2019 *(in Million ₹)*
	Company	
Term loan		
Secured*	5.58	2.18
Total (A)	**5.58**	**2.18**
Working capital facilities		
Secured**	2,984.00	2,119.11
Total (B)	**2,984.00**	**2,119.11**
Total (A + B)	**2,989.58**	**2,121.29**
	Subsidiaries	
Term loan		
Secured*	784.80	582.23
Total (C)	**784.80**	**582.23**
Working capital facilities		
Secured**	2,152.50	1,344.01
Total (D)	2,152.50	**1,344.01**
Other loans		
Unsecured***	-	20.00
Total (E)	**2,152.50**	**20.00**
Total (C + D + E)	**2,937.30**	**1,946.24**

* *Secured loan under the head term loan includes vehicle loans, if any. Further term loan does not include ₹ 172.5 million (Term Loan) sanctioned by State bank of India as the same has not been accepted by the Company until now*

** *Secured loan under working capital facility included entire working capital viz. Cash Credit/ WCDL, Letter of Credit, Bank Guarantee. Foreign LCs in USD have been converted into INR @69.93 (as per State Bank of India's TT selling rate as on March 29, 2019)*

*** *Unsecured loan does not include 9,354,000 0% optionally fully convertible debentures of Shyamsteel Energy Private Limited (face value of ₹ 100 each) and 1,000,000 1% fully convertible debentures of SSML (face value of ₹100 each) both being held by our Company. Further, unsecured loans does not include finance lease obligations amount to Rs 4.82 million.*

The following table sets forth details of the debentures issued by SSML and Shyamsteel Energy Private Limited, our Subsidiaries, to our Company:

Issuer	Nature of instrument	Face value *(in ₹)*	Number of debentures	Rate of Interest	Security	Date of redemption/conversion
SSML	Fully convertible debentures	100	1,000,000	1%	Unsecured	December 18, 2022
Shyamsteel Energy Private Limited	Optionally fully convertible debentures	100	5,855,750	-	Unsecured	March 31, 2021
		100	1,920,000	-	Unsecured	October 15, 2021
		100	1,457,250	-	Unsecured	March 31, 2022
		100	121,000	-	Unsecured	May 3, 2023

Further, SSML, our Subsidiary, has also availed certain inter corporate deposits for an amount of ₹ 20 million, pursuant to an agreement dated June 1, 2018 with Kakrania Properties Private Limited, termination of which has been mutually agreed among by the parties on May 28, 2019.

For further details in relation to financial indebtedness of our Company and Subsidiaries, see "*Financial Statements*" beginning on page 171.

Principal terms of the borrowings availed by our Company and the Subsidiaries:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

- ***Interest:*** In terms of the term loans and fund based working capital facilities availed by us, the interest rate is typically base rate plus basis points of the specified lender typically ranging from 8.5% to 11.5% p.a. However, for our non-fund based working capital facilities, we are required to pay commission at a rate decided by the specified lender.

- ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to *inter alia*,:

a) create pledge over the shares of the Promoters;

b) create charge on certain of our movable and immovable assets, including land, buildings, receivables, stocks and equipment; and

c) provide corporate guarantees/personal guarantees to third parties.

- ***Prepayment:*** In terms of the term loans availed by us, we have the option to pre-pay our term loan, in part or in full together with all interests, prepayment premium and other charges and monies due and payable to the lender up to the due date. Majority of our loans include a mandatory prepayment penalty, wherein a certain percentage of the outstanding amount may be required to be paid, by us.

- ***Re-payment:*** While the fund based working capital facilities are typically valid for a period of 12 months, the fund based working capital facilities are typically repayable on demand. The repayment period for the term loan ranges from three years to seven years.

- ***Key covenants:***

  In terms of our borrowing arrangements, we are required to:

  (i) provide financial statements periodically;

  (ii) monitor compliance with financial covenants;

  (iii) intimate and/or take prior consent of the lenders about change in line of business or change in ownership or transfer of controlling interest or make any change in management set-up;

  (iv) intimate the lenders about change in capital structure or shareholding pattern;

  (v) intimate and/or take prior consent from the lenders for entering into any transaction, scheme for merger, de-merger, arrangement, reconstruction, consolidation or reorganisation or undertake any scheme for composition or arrangement with creditors;

  (vi) intimate the lenders before making any investments by way of deposits, financial facilities or investment in share capital;

  (vii) take prior consent of lenders before implementing any scheme of expansion/diversification/ modernisation resulting in breach of financial covenants or diversion of working capital funds;

  (viii) take prior consent of lenders before declaration of dividend except out of profits;

  (ix) take prior consent of lenders before creating a pledge over the shares of our Company in favour of any other lender/financial institution/non-banking financial institution;

  (x) take prior consent of the lenders before amending the charter documents; and

  (xi) take prior written approval of lenders before opening and maintaining any bank account other than the borrower designated account.

- ***Events of Default:***

  In terms of our borrowing arrangements, the following, among others, constitute as events of default:

  (i) failure and inability to pay the principal amounts on the due date along with the interest thereon;

  (ii) violation of any terms and conditions of the relevant borrowing arrangements;

  (iii) upon change in capital structure of our Company where shareholding of our Promoters in our Company falls below the current level or leads to a dilution in controlling stake (whichever is lower) without the consent of the lender;

  (iv) proceedings of winding up not being disposed off or stayed in a stipulated time frame, or if any creditor or liquidator takes possession of our property, or any similar events of bankruptcy or suspension of payment to creditor;

  (v) use of the facility for any other purpose other than the purpose for which the facility has been granted for, such as, but not limited to, investments in capital markets or investment in real estate;

(vi) any material adverse effect which would have an effect on our ability to observe and perform our obligations, in a timely manner, under the borrowing arrangements;

(vii) cessation or threatening to cease to carry on its business; and

(viii) default in the fulfilment of any obligation towards any lender.

- ***Consequences on occurrence of events of default:***

  In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default. Our lenders may:

(i) withdraw or cancel the sanctioned facilities;

(ii) access to the loans or utilization thereof may be terminated or suspended;

(iii) enforce securities created;

(iv) seek immediate acceleration of the payment of all or part of the outstanding amounts under the respective facilities;

(v) initiate legal proceedings for recovery of their dues;

(vi) convert whole or part of the outstanding facility into fully paid-up equity shares of our Company; and

(vii) appoint a nominee director on the board.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial conditions and results of operations together with our Restated Consolidated Financial Information as of and for the nine months period ended December 31, 2018 and the financial years ended March 31, 2018, 2017 and 2016, including the related notes, schedules and annexures. The Restated Consolidated Financial Information has been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013, to the extent applicable. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.*

Our financial years end on March 31 of each year, and all references to a particular financial year or Fiscal are to the twelve-month period ended March 31 of that year.

While we have historically prepared our financial statements in accordance with Indian GAAP, we have transitioned to prepare and audit our financial statements in accordance with Ind AS, as required by the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, and this section includes a discussion of financial results for the nine months period ended December 31, 2018 which were prepared under Ind AS and of financial results for Fiscals 2018, 2017 and 2016, which were originally prepared under the Indian GAAP. Ind AS is applicable to our Company w.e.f. April 1, 2017 and for the purposes of transition to Ind AS, we have followed the guidance prescribed in "Ind AS 101 - First Time adoption of Indian Accounting Standard". The Restated Consolidated Financial Information, prepared and presented in accordance with Ind AS, have been restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the "Guidance Note on Reports in Company Prospectus (Revised 2019)" issued by the ICAI.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS and other accounting principles with which prospective investors may be familiar. Indian GAAP also differs in certain material respects from the Ind AS which is applicable to our Company w.e.f. April 1, 2017, in accordance with certain guidelines stipulated by the Ministry of Corporate Affairs and Government of India. See Risk Factor -"Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition" on page 39. We have not attempted to quantify the impact of Ind AS, IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of Ind AS, IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward Looking Statements" beginning on pages 23 and 22, respectively.

Overview

We are one of the leading premium branded thermo mechanically treated rebar ("**TMT Rebar**") players in India having integrated steel plants and a strong brand identity and recall amongst end customers (source: CRISIL Report). We are primarily involved in production of TMT Rebar with backward integration in sponge and billet and sale of premium TMT bars (long steel products) in India (source: CRISIL Report). We have derived 75.97%, 71.82%, 72.17% and 79.25% of our revenue from sale of products for TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016. As on March 31, 2019, the aggregate installed iron and steel production capacity of our Steel Manufacturing Plants was 1,584,656 MTPA, including an installed TMT Rebar production capacity of 641,960 MTPA. Owing to our extensive and strong dealer distribution network and strong brand identity, we have developed a strong retail segment through which we have derived 57.72%, 55.91%, 47.33% and 50.21% of our revenue from sale of TMT Rebar and allied products in the nine months period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, respectively. In the institutional segment, we sell quality TMT Rebar, through our Institutional Customers, for projects of large government entities including public sector undertakings, National Highway Authority of India ("**NHAI**"), railways, military engineer services, Nuclear Power Corporation of India ("**NPCI**") and various state governments. We have delivered strong and consistent financial growth by maintaining low leverage since Fiscal 2016. Our continuous focus on building our brand SHYAM has made us one of the leading premium brands recognised in India for TMT Rebar (source: CRISIL Report).

We operate all our Steel Manufacturing Plants in West Bengal. In addition to production of quality TMT Rebar, as part of our integrated operations and ensuring presence across our entire steel value chain, our Steel Manufacturing Plants also manufacture raw materials for production of quality TMT Rebar such as sponge iron, billets and ferro alloys, which are primarily used for captive consumption. We also operate two captive power plants in West Bengal with an aggregate capacity of 25 MW, supplying power to the direct reduced iron unit ("**DRI**"), the steel melting shop ("**SMS**") and the rolling mill ("**RM**") at our Steel Manufacturing Plants. From Fiscal 2016 to Fiscal 2019, our production capacity of iron and steel has increased from 1,048,860 MTPA to 1,584,656 MTPA, which includes an increase in installed TMT Rebar production capacity from 363,960 MTPA in Fiscal 2016 to 641,960 MTPA in Fiscal 2019. As on March 31, 2019, the aggregate iron and steel making (excluding allied products such as wire mill, nail, stirrups and ribbed bar) utilisation capacity of our Steel Manufacturing Plants was 94%, which included TMT Rebar utilization capacity of 83%.

Our Steel Manufacturing Plants are located in West Bengal which places them in proximity to iron ore mines in Jharkhand and Odisha. Additionally, all of our Steel Manufacturing Plants are located in the nearest vicinity of the railway siding, which makes the transportation of the raw materials simple and cheap (source: CRISIL Report). With a view to have control on cost of the production of quality TMT Rebar and related cost, we have in the past actively undertaken backward integration of our operations through enhancement of our in-house production capabilities for production of raw materials such as billets and sponge iron. We have also undertaken selective inorganic growth, such as acquisition of financially stressed companies. These include acquisition of (a) Shreegopal Hi-Tech Private Limited (*now amalgamated with our Company*) ("**Shreegopal Hi-Tech**") in Fiscal 2008, and (b) Shyam Steel Manufacturing Limited, our wholly-owned subsidiary (*formerly known as Sova Ispat Limited*) ("**SSML**") in Fiscal 2011, both engaged in the business of steel manufacturing. Post such acquisitions, we have been successful in turning around Shreegopal Hi-Tech and SSML into low-debt units along with achieving operational efficiency at these steel manufacturing plants.

Our customer portfolio comprises two major segments which are retail customers and institutional customers.

As part of our retail customer portfolio, we typically sell quality TMT Rebar to individual buyers including individual house builders, and contractors, through our dealers and distributors ("**Retail Customers**"). We believe that our key differentiators in the retail segment are our established track record of delivering quality TMT Rebar, strong brand identity, a well-established dealer and distribution network, and an in-house retail customer relation management with wide outreach and extensive market research ("**Retail CRM**"). We use Retail CRM for *inter alia,* to maintain a centralized data bank of new and prospective dealers, distributors, customers and projects, ascertain prospective demand of our products in different regions and for a quick redressal of our customer, dealer and distributor grievances and feedback and track the on-field movement of our marketing salesforce. We endeavour to ensure timely delivery of our products and also provide credit period and other value added services such as free home delivery and customized product cuts to our Retail Customers. We have a strong and deep presence in eastern and north eastern part of India which we have achieved through our sales network and strong Retail CRM. As on March 31, 2019, we have a strong dealer distribution network comprising of over 1,762 dealers and 50 distributors spread across the northern and eastern parts of India. Due to our deep and consistent focus on retail segment and increasing brand and quality awareness, the number of dealers has steadily increased from 754 in Fiscal 2016 to 1,148 in Fiscal 2017 to 1,524 in Fiscal 2018 to 1,762 in Fiscal 2019. There has been a year-on-year growth in terms of total revenue of TMT Rebar and allied products in the retail segment by 19.88% and 72.40% from Fiscal 2016 to Fiscal 2017 and Fiscal 2017 to Fiscal 2018, respectively.

As part of our institutional customer portfolio, we sell quality TMT Rebar to institutional customers ("**Institutional Customers**"). Our key Institutional Customers include Hindustan Construction Company Limited, Gammon Engineers and Contractors Limited, Gayatri Projects Limited, Iron Triangle Limited, Royal Infraconstru Limited, Tribeni Constructions Limited and Bhartia Infra Projects Limited. We sell quality TMT Rebar primarily for projects of large government entities including public sector undertakings, the NHAI, railways, military engineer services, NPCI and various state governments. In the institutional space, our Company is one of the few approved suppliers for key government departments such as NHAI, state governments, military engineering services and Indian Railways amongst others (source: CRISIL Report). We use an in-house institutional customer relation management ("**Institutional CRM**") to track the timeline of a government project from the announcement of such project until its completion and timely follow-up with the contractors who have been awarded the infrastructure project in order to assess demand of TMT Rebar. We believe that our ability to provide credit period and our endeavour to ensure timely delivery of our products is one of the key differentiating factor in the institutional segment. Our Institutional Customers are spread across various segments including nuclear plant, roadways, thermal and hydel power, railways, metro rails, sea ports and refinery plants. During Fiscals 2019, 2018 and 2017, the number of government projects for which our Company was empanelled as approved suppliers were 23, 25, 35, respectively. The number of project sites to which we have supplied quality TMT Rebar through our Institiutional Customers, has increased from 1,229 in Fiscal 2016 to 1,552 in Fiscal 2017, to 1,655 in Fiscal 2018 and 2,008 in Fiscal 2019, respectively. Our Institutional Customers have increased from 749 in Fiscal 2016 to 908 in Fiscal 2017, to 936 in Fiscal 2018 to 1,151 in Fiscal 2019. There has been a year-on-year growth in terms of total revenue of TMT Rebar and allied products in the institutional segment by 34.54% and 22.13% from Fiscal 2016 to Fiscal 2017 and Fiscal 2017 to Fiscal 2018, respectively.

For the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016, our total income was ₹ 20,141.32 million, ₹ 21,629.04 million, ₹ 15,224.67 million and ₹ 11,690.60 million, respectively. Our consolidated Earnings Before Interest, Taxes, Depreciation and Ammortisation ("**EBITDA**") for the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 was ₹ 2,369.87 million, ₹ 2,399.74 million, ₹ 1,702.72 million and ₹ 1,355.33 million, respectively. Our consolidated profit after tax for the nine months period ended December 31, 2018 and Fiscals 2018, 2017 and 2016 was ₹ 1,313.49 million, ₹ 1,093.60 million, ₹ 446.76 million and ₹ 74.00 million, respectively. Our total income, consolidated EBIDTA and consolidated profit after tax grew at a CAGR of 36.02%, 33.06% and 284.43%, respectively, from Fiscal 2016 to Fiscal 2018.

Significant Factors Affecting Our Results of Operations and Financial Condition

The results of our operations and our financial condition are affected by numerous factors and uncertainties, many of which may be beyond our control, including as discussed in "*Risk Factors*" beginning on page 23. The following is a discussion of certain factors that we believe have had and will continue to have or expected to have a significant effect on our financial condition and results of operations:

Availability and cost of raw material and other expenses

We are into the business of manufacturing steel products. We operate our Steel Manufacturing Plants and two captive power plants in West Bengal that are heavily dependent on coal and iron ore as a raw material. Since we do not own any captive coal mine, we have entered into a long-term coal linkage agreement for procurement of coal from South Africa. However, we procure iron ore on spot basis from the open market. Depending upon government policy, if the opportunities arise, we propose to become increasingly self-sufficient in procurement of iron ore and coal through participation in auctions of iron ore and coal mines.

We maintain our inventory of raw materials to be able to avoid situations of irregular supply. Our results of operation may be impacted if we are unable to procure sufficient coal and iron ore of requisite quantity and quality, and at acceptable prices as it could disrupt our production of steel, delay our delivery cycle leading to breach of contractual arrangement with our customers, increase our production costs or reduce our production volumes. Unavailability of raw materials or increase in price of raw materials would have a material adverse effect on our business and operations, financial condition, results of operations and prospects.

Additionally, employee benefits expenses and other expenses (including consumption of stores and spares, power, fuel and electricity, delivery and handling charges, repairs and rates and taxes) also constitute a large portion of our total expenditure. Although these costs are not subject to the same level of volatility as raw material costs, which fluctuate significantly depending on market conditions, the relatively fixed nature of such costs may have a material adverse impact on profitability during times of low production, as such costs cannot be reduced in accordance with our lower production volume.

Seasonality of business

Demand for our products is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, we usually experience relatively weaker sales volume during the monsoon, and somewhat stronger sales in other seasons. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year. For further details see, "*Risk Factors – The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations*." on page 23.

Shutdown or under-utilization of our Steel Manufacturing Plants

We are significantly dependant on our Steel Manufacturing Plants for our revenue. As of March 31, 2019, the aggregate iron and steel making (excluding allied products such as wire mill, nail, stirrups and ribbed bar) utilization capacity of our Steel Manufacturing Plants was 1,344,654 MTPA. Our Steel Manufacturing Plants are subject to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, production outages, natural disasters, industrial accidents and the need to comply with new directives of the relevant government authorities. We may be required to shut down our Steel Manufacturing Plants, from time to time, for capacity expansions, enhancements and equipment upgrades. We have enhanced the installed capacities at our Steel Manufacturing Plants in the past and we seek to maintain high capacity utilization at each of our Steel Manufacturing Plants.

Our brand name and premium pricing of TMT Rebar

Our continuous focus on building our brand name SHYAM has been a significant factor in the growth and development of our business. While we will continue to invest in our primary strength of our well established brand and track record to create awareness amongst prospective customers, we have undertaken various initiatives in the past to build our brand name such as engaging well known celebrities for promoting our brand. Our results of operation are significantly influenced by our product pricing. By ensuring our brand and quality recognition by our customers, specifically retail customers, has helped us to achieve premium pricing for our TMT Rebar. Any damage to our brand SHYAM or our reputation could substantially impair our ability to maintain or grow our business, or have a material adverse effect on our overall business, financial condition, results of operations and cash flows. In addition, any unauthorized or inappropriate use of our brand, trademarks and other related intellectual property rights by others could harm our brand image, competitive advantages and business and dilute or harm our reputation and brand recognition.

Capacity expansions

We are continuing to expand our operations organically. While we had commenced our business with manufacturing of TMT Rebar, we have strategically achieved backward integration in the business value chain by expanding our capacity to manufacture raw materials such as billets and sponge iron. We also have set up captive power plants at our Angadpur Plant and Mejia Plant. As part of our long term strategy of organic expansion and integrated operation, we have, in the last five Fiscals, undertaken expansion in production capacities of sponge iron, SMS and rolling mill at our Steel Manufacturing Plants. We will continue to focus on such expansion of our Steel Manufacturing Plants to enhance our installed and production capacities of sponge iron, SMS, captive power plant and rolling mill. For instance, our Company has received a recommendation from MoEF, in respect of expansion of production capacity for our Mejia Plant, which our Company will undertake in future subject to receipt of necessary approvals. For further details see "*Our Business – Our Strategies – Continue to focus on backward integration and organic and selective inorganic expansion*" on pages 129 - 130.

Expansion programs generally entail significant capital and operating expenditures, including cash consideration paid or debt incurred in connection with the expansion, marketing of new products and services and the addition of new employees. If successful, such expansion programs may lead to significant production and sales growth. Accordingly, such initiatives affect the comparability of the results of operations for different periods.

Government policy

The Government of India approved the National Steel Policy in May 2017 ("**NSP 2017**") which seeks to enhance domestic steel consumption, ensure high quality steel production, and create a technologically advanced and globally competitive steel industry. The NSP 2017 amongst others also provides for ensuring availability of raw materials such as iron ore, coking coal and non-coking coal, natural gas, etc., at competitive rates through policy measures, asset acquisitions, etc., focusing on pelletisation, through investment in slurry pipelines and conveyors and increase in consumption of steel across major segments of infrastructure, automobiles, and housing, resulting in a potential rise in per capita steel consumption. The Government of India has also initiated measures such as "Housing for All" which may lead to an increase in demand for steel products. Our results of operations may be affected with the implementation of various policies by the Government of India.

Critical Accounting Policies and Estimates (as per our Ind AS Financial Statements)

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the financial statements included elsewhere in this Draft Red Herring Prospectus.

Summary Statement of Significant Accounting Policies

Shyam Steel Industries Limited (the "**Company**") is a public company domiciled and headquartered in Kolkata, India. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacturing and trading of TMT Rebar and structural steel. The Company has operations in India and caters to both domestic and international markets. The Company has one wholly owned subsidiary incorporated in India under the name of Shyam Energy Private Limited and three step down subsidiaries incorporated in India in the name of Shyam Steel Manufacturing Limited, Vaikuntha Tradecom Private Limited and Shyam Mining Private Limited (collectively referred to as the "**Group**").

Basis of preparation of Financial Statements

(a) Basis of consolidation

The Restated Financial Statement incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

All subsidiaries have a reporting date aligned to the Company. The Company exercises control if an only if it has the following:

a) power over the entity;

b) exposure, or rights, to variable returns from its involvement with the entity; and

c) the ability to use its power over the entity to affect the amount of its returns.

The Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

b) potential voting rights held by the Company, other vote holders or other parties;

c) rights arising from other contractual arrangements; and

d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the Financial Statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

(b) Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees ("Rs."), which is also the Company's functional and presentation currency of the Group. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

Basis of measurement

The Restated Consolidated Financial Information have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair value through profit and loss ("**FVTPL**")
Net benefit (asset)/liability	Defined benefit obligation less fair value of plan assets
Property, plant and equipment	Fair valued at transition date

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(c) Use of estimates and judgements

The preparation of Financial Information requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes

(i) Useful life and residual value of property, plant and equipment and other intangible assets – Note 1;

(ii) Determining the fair values of investments – Note 39

(iii) Measurement of defined benefit obligations - Note 36

(iv) Measurement and likelihood of occurrence of provisions and contingencies - Note 33

(v) Recognition of deferred tax assets - Note 19

(vi) Impairment of impairment of financial assets: key assumptions used in estimating recoverable cash flows - Note 40

(d) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 39.

(e) Classification of assets and liabilities into current/non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

(i) It is expected to be realised or intended to sold or consumed in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realise the asset within twelve months after the reporting period; or

(iv) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counter party does not affect this classification.

All other liabilities are classified as non-current.

(f) Accounting Policy

(i) *Business combination*

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

(ii) *Subsidiaries*

These Consolidated Financial Information are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements"(Ind AS 110, specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Ind AS Financial Statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated Ind AS Financial Statements are:

Subsidiaries considered in the Restated Consolidated Financial Information:

Name of the Company	Relation	Country of incorporation	Percentage Holding			
			As at December 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Shyamsteel Energy Private Limited	Wholly owned subsidiary	India	100%	100%	100%	100%
Shyam Steel Manufacturing Limited	Step down subsidiary	India	100%*	100%*	98.52%	98.52%
Vaikuntha Tradecom Private Limited	Step down subsidiary	India	100%**	100%**	100%**	-
Shyam Mining Private Limited	Step down subsidiary	India	100%	100%	100%	100%

* 1.48% stake acquired on May 3, 2017

** 100% stake acquired on March 9, 2017

(iii) *Non-controlling interest (NCI)*

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(v) *Transactions eliminated on consolidation*

The Financial Information of the Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e. December 31, 2018.

The Financial Information of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with subsidiaries are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) ***Inventories***

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realisable value (NRV). Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost in respect of raw materials, stores and spares and stock-in-trade are computed using moving weighted average method. Cost in respect of finished goods and work-in-progress are computed using weighted average method. In the case of finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their NRV. The NRV of work-in-progress is determined with reference to the selling price of related finished products.

NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and NRV is made on item-by-item basis.

(vii) ***Cash and cash equivalents***

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Group's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

(viii) ***Income tax***

Income Tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount, reflecting the best estimate of the tax amount, expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognised in respect of carry forward unused tax losses and unused tax credits.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (“OCI”) or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” and grouped under Deferred Tax. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

(ix) ***Property, plant and equipment***

Recognition and measurement:

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Cost of an item of Property, plant and equipment acquired comprises its purchase price inclusive of duties, taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognised in the Statements of Profit and Loss.

Subsequent measurement:

Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Major Inspection/ Repairs/ Overhauling expenses are recognised in the carrying amount of the item of Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is derecognised.

(x) ***Depreciation and amortisation*****:**

Depreciation on Property, plant and equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Group based on the technical evaluation.

In respect of the Plant and Machinery for Captive Power Plant and Rolling Mill, useful life of 25 years and 40 years respectively have been considered on the basis of technical evaluation done by an independent expert, which is different from life specified in Schedule II. The management believes that the useful life as considered above best represent the period over which the respective assets shall be expected to be in use.

In respect of spares for specific machinery, cost is amortised over the useful life of the related machinery as estimated by the management.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Disposal of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(xi) ***Capital work-in-progress***

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

(xii) ***Leases***

Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

As a Lessee

Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Group with expected inflationary costs.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(xiii) ***Employee benefits***

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

The Group operates the following post-employment benefit schemes:

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions (a) employee provident fund to Government administered provident fund scheme, and (b) Employee State Insurance, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in Other comprehensive income (OCI). The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(xiv) ***Government grants***

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The Government grants related to income is recognised in statement of profit and loss on a systematic and rational basis over the periods over which the related costs, for which it is intended to compensate, are expensed. The same is presented under "Other Operating Revenue" or "Other Income" as the case may be.

The Government grants relating to the acquisition/ construction of an item of property, plant and equipment are treated as deferred income and are credited to Statement of Profit and Loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within "Other operating income".

(xv) ***Foreign currency transactions***

Foreign currency (other than the functional currency) transactions are translated into the functional currency using the prevailing rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchanges prevailing at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognised in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

(xvi) ***Borrowings***

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.

Transaction costs in respect of long term borrowing are amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(xvii) ***Investment property***

Investment Property is property (comprising land) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(xviii) ***Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Recognition and Initial Measurement:

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Measured at Amortised Cost;

(ii) Measured at Fair Value Through Other Comprehensive Income (FVTOCI); and

(iii) Measured at Fair Value Through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Measured at amortised Cost: A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting 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 (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the Group.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income.

Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

Derecognition:

The Group derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognises impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(xix) ***Equity and Financial Liabilities***

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(xx) ***Financial Liabilities***

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

(xxi) ***Earnings per share***

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(xxii) ***Impairment of Non-Financial Assets***

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

(xxiii) ***Provisions, contingent liabilities and contingent assets***

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Contingent liability is a possible obligation arising from past events and 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 or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Notes to the Restated Consolidated Financial Information.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

(xxiv) ***Intangible Assets***

Recognition and Measurement

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognised in the Statement of Profit and Loss.

Amortisation

Intangible assets are amortised over a period of five years.

The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible assets under development

Intangible assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

(xxv) ***Operating segment***

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Group has identified one reportable segment "Iron and Steel" based on the information reviewed by the CODM.

(xxvi) ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(xxvii) ***Revenue from contract with customer***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

As per Ind AS 115, we apply the five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer.

Sale of Products

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 45 to 60 days upon delivery.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement

In accordance with Schedule III to the Companies Act, 2013, Sales for the period 1 April to 30 June 2017 in the previous year were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements.

Receivable on account of interest from dealers on delayed payment are accounted for to the extent the Group is reasonably certain of their ultimate collection.

Interest Income

For all debt instruments measured at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

Rendering of Service

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

Other Operating Revenue

Export incentive and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time, but do not have an impact on the Restated Consolidated Financial Information of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted Ind AS 115 using the modified retrospective method of adoption.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the Restated Ind AS Consolidated Summary Statements as the Group continues to present grant relating to asset by setting up the grant as deferred income. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 40 Transfers of Investment Property

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

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

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

These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 19 Employee Benefits

In order to provide useful information to the users and enhance the understanding of financial statements, the change to the standard requires that on amendment, curtailment or settlement of a defined benefit plan, entities should:

- Update actuarial assumptions to those used to remeasure the net defined benefit liability (asset), and
- Use the updated assumptions and the revised net defined benefit liability (asset) to determine the current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).

The amendment clarifies that entities should disregard the asset ceiling when determining the past service cost on plan amendment or curtailment, or the gain or loss on settlement of the plan, and recognise the past service cost or the gain or loss in the statement of profit and loss. Subsequently, the effect of the asset ceiling should be recognised in other comprehensive income.

These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 28 Investment in Associate and Joint Ventures

The amendments to Ind AS 28 clarify that the accounting for losses allocated to long-term interests would involve the dual application of Ind AS 28 and Ind AS 109. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 109 Financial Instruments

The amendment carries an exception to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 103 Business Combinations and Ind AS 111 Joint Arrangements

A new paragraph 42A to Ind AS 103 has been added to clarify that when an entity obtains control of a business that is a joint operation, then the acquirer would remeasure its previously held interest in that business. Such a transaction would be considered as a business combination achieved in stages and accounted for on that basis. Further, paragraph B33CA has been added to Ind AS 111 to clarify that if a party that participates in a joint operation, but does not have joint control, obtains joint control over the joint operation (which constitutes a business as defined in Ind AS 103), it would not be required to remeasure its previously held interests in the joint operation. The amendment points out that although such a transaction changed the nature of the entity's interest in the joint operation, it did not result in a change in the group boundaries. Consequently, no remeasurement of previously held interests would be required. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 23 Borrowing Costs

The amendment clarifies that in computing the capitalisation rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.

These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Amendments to Ind AS 12 Income Taxes – Annual Improvements

Paragraph 12 of Ind AS 12 provides guidance on recognition of income tax assets and liabilities. It requires entities to recognise a current tax liability for taxes pertaining to the current and prior periods, to the extent they are unpaid and to recognise an asset if the taxes paid in respect of the current and prior periods exceed the amounts due for those periods, to the extent of such excess amounts paid. However, sometimes it is unclear on how tax law applies to a particular transaction or circumstance. Since interpreting areas of uncertainty in tax law can be complex, entities have adopted different approaches for recognising tax liabilities and assets. This has resulted in diversity in practice for the recognition and measurement of a tax liability or asset in the financial statements of entities. These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Inserted Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments

Appendix C to Ind AS 12 (Appendix C) seeks to bring clarity to the accounting for uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect it in the measurement of current and deferred taxes.

These amendments do not have any impact on the Group's Restated Consolidated Financial Information.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's Restated Ind AS Consolidated Summary Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 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.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Group plans to adopt Ind AS 116 retrospectively to each prior reporting period presented. The Group will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. These amendments do not have any impact on our Restated Consolidated Financial Information.

Results of Operations

The following table sets forth select financial data from our restated consolidated statements of profit and loss for the nine months period December 31, 2018 and for Fiscals 2018, 2017 and 2016, the components of which are also expressed as a percentage of our total income for such periods.

	Nine months period ended December 31, 2018		Fiscal 2018		Fiscal 2017 (Proforma)		Fiscal 2016 (Proforma)	
	Amount (₹ in million)	**% of total income**	**Amount (₹ in million)**	**% of total income**	**Amount (₹ in million)**	**% of total income**	**Amount (₹ in million)**	**% of total income**
Income:								
Revenue from operations	20,025.50	99.42	21,475.89	99.29	15,151.61	99.52	11,619.74	99.39
Other income	115.82	0.58	153.15	0.71	73.06	0.48	70.86	0.61
Total income	**20,141.32**	**100**	**21,629.04**	**100**	**15,224.67**	**100**	**11,690.60**	**100**
Expenses:								
Cost of materials consumed	13,129.74	65.19	13,137.21	60.74	8,505.43	55.87	6,313.35	54.00
Purchases of stock-in-trade	623.74	3.10	514.10	2.38	17.49	0.11	28.07	0.24
Change in inventories of finished goods, work in progress and stock-in-trade	(556.72)	(2.76)	(84.83)	(0.39)	(156.14)	(1.03)	209.48	1.79
Excise duty	-	-	467.10	2.16	1,400.18	9.20	1,080.67	9.24
Employee benefits expense	932.56	4.63	991.67	4.58	551.16	3.62	333.92	2.86
Finance costs	251.17	1.25	348.26	1.61	310.47	2.04	349.00	2.99
Depreciation and amortisation expense	344.15	1.71	586.56	2.71	827.32	5.43	834.21	7.14
Other expenses	3,642.13	18.08	4,204.06	19.44	3,203.83	21.04	2,369.78	20.27
Total Expenses	**18,366.77**	**91.19**	**20,164.13**	**93.23**	**14,659.74**	**96.29**	**11,518.48**	**98.53**
Consolidated profit before tax	**1,774.55**	**8.81**	**1,464.91**	**6.77**	**564.93**	**3.71**	**172.12**	**1.47**
Tax expense:								
Current tax	476.99	2.37	402.35	1.86	185.40	1.22	121.07	1.04
Income tax for earlier years	(24.23)	(0.12)	(0.11)	-	2.95	0.02	1.11	0.01
Deferred tax charge/(credit)	8.30	0.04	(30.93)	(0.14)	(70.18)	(0.46)	(24.06)	(0.21)
Total tax expense	**461.06**	**2.29**	**371.31**	**1.72**	**118.17**	**0.78**	**98.12**	**0.84**
Consolidated profit after tax for the period/year	**1,313.49**	**6.52**	**1093.60**	**5.06**	**446.76**	**2.93**	**74.00**	**0.63**

Principal Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our Restated Consolidated Financial Information.

Total Income

Our total income comprises (i) revenue from operations and (ii) other income.

Revenue from Operations

Our revenue from operations consists of the following:

- sale of products comprising TMT Rebar and allied products, billet and others such as silico manganese, sponge iron and bricks. The products primarily consist of manufactured goods and stock-in-trade. Further, with implementation of GST since July 1, 2017, excise duty, VAT, service tax and other indirect tax have been replaced with GST. Therefore, until June 30, 2017, 'sale of products' includes the amount of excise duty recovered on sale of products. The GST collected on behalf of the Government are not included in 'sale of products', and therefore revenue from 'sale of products' for the nine months period ended December 31, 2018 and Fiscal 2018 is not comparable with that of the comparative periods;

- rendering of services which primarily consist of commission and supervision charges, conversion charges and rendering of transportation services; and

- other operating revenues which primarily consists of government grants, export incentives received and sale of scrap.

Other Income

The key components of our other income are interest income under the effective interest method on investments, fixed deposits with bank and from others, net gain on fair valuation of investments measured at fair value through profit and loss, profit on sale of property, plant and equipment, net gain on sale of investments measured at fair value through profit and loss, liabilities no longer required written back and dividend income.

Total Expenses

Our total expenses consist of the following:

- *Cost of materials consumed* primarily consists of purchase of raw materials such as iron ore/ iron ore pellets, coal, sponge iron, pig iron, manganese ore, coke and related materials;

- *Purchase of stock-in-trade* consists of purchase of traded goods which primarily consist of steel and steel products, including TMT Rebar;

- *Changes in inventories of finished goods, work in progress and stock-in-trade* represents the net increase or decrease in finished goods, work in progress and stock-in-trade at the beginning of the year and end of the year;

- *Excise duty* is the excise duty paid to the government on the manufacture of our products. With the implementation of GST from July 1, 2017, excise duty, VAT, service tax and other indirect tax have been replaced with GST and accordingly, excise duty was payable by us till June 30, 2017 for Fiscal 2018;

- *Employee benefits expense* consists of salary and wages, contribution to provident and other funds and staff welfare expenses;

- *Finance costs* primarily includes interest expense on our borrowings, interest expense on deposits to dealers and other borrowing cost which mainly includes bank charges;

- *Depreciation and amortisation expense* primarily comprises (i) depreciation of tangible assets, properties, buildings, plant and equipment, and capital work in progress; and (ii) amortisation of intangible assets such as computer software; and

- *Other expenses* primarily includes power and fuel expenses, consumptions of stores and spares, advertisement and sales promotion expenses, freight and delivery expenses, outsourced manpower cost, travelling and conveyance expenses, brokerage and commission, rent and corporate social responsibility expenses.

Total Tax Expense

Elements of our total tax expense are as follows:

- *Current tax.* Our 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.

- *Deferred tax.* Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

- *Income tax related to prior years* consist of net of income tax reversal/charge for earlier Fiscals.

Nine months period ended December 31, 2018

Total Income

Revenue from operations. Our revenue from operations was ₹ 20,025.50 million for the nine months period ended December 31, 2018. Our revenue from operations primarily comprised of sale of products and other operating revenues.

Our revenue from sale of products for the nine months period ended December 31, 2018 was ₹ 19,813.29 million, comprising: (i) an amount of ₹ 15,051.26 million, on account of sale of TMT Rebar and allied products; (ii) an amount of ₹ 4,205.44 million, attributable to sale of billet; and (iii) an amount of ₹ 556.59 million on account of sale of others. The sale of others comprised silico manganese, sponge iron and bricks.

Our other operating revenues for the nine months period ended December 31, 2018 was ₹ 212.21 million, comprising an amount of ₹ 1.87 million received as government grants, an amount of ₹ 56.13 million received as export incentive and an amount of ₹ 154.21 million on account of sale of scrap.

Other income. Our other income for the nine months period ended December 31, 2018 was ₹ 115.82 million, comprising primarily interest income under the effective interest method from others of ₹ 77.90 million, net gain on fair valuation of investments measured at fair value through profit and loss of ₹ 12.06 million, ₹ 4.82 million of interest income under the effective interest method on investments, ₹ 5.76 million of interest income under the effective interest method on fixed deposits with banks, ₹ 8.52 million of liabilities no longer required written back and net profit of ₹ 1.12 million on sale of property, plant and equipments.

Total Expenses

Cost of materials consumed. Cost of materials consumed was ₹ 13,129.74 million for the nine months period ended December 31, 2018.

Purchase of stock-in-trade. Purchase of stock-in-trade was ₹ 623.74 million for the nine months period ended December 31, 2018. Our purchase of stock-in-trade during the nine months period ended December 31, 2018 has increased to meet the excess of demands of our customers over the products manufactured by us during the period.

Changes in inventories of finished goods, work in progress and stock-in trade. Our changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹ (556.72) million for the nine months period ended December 31, 2018.

Employee benefit expense. Our employee benefit expense was ₹ 932.56 million for the nine months period ended December 31, 2018, comprised of salaries and wages of ₹ 838.00 million, contribution to provident and other funds of ₹ 82.64 million and staff welfare expenses of ₹ 11.92 million.

Finance costs. Our finance costs were ₹ 251.17 million for the nine months period ended December 31, 2018, primarily comprised ₹ 221.97 million of interest expense on borrowings and others (including interest on deposits to dealers) and other borrowing cost of ₹ 23.23 million.

Depreciation and amortisation expense. Our depreciation and amortisation expenses were ₹344.15 million for the nine months period ended December 31, 2018.

Other expenses. Our other expenses were ₹ 3,642.13 million for the nine months period ended December 31, 2018, and primarily comprised of an amount of ₹ 1,637.58 million for power and fuel, an amount of ₹ 424.15 million for freight and delivery expenses, an amount of ₹ 372.80 million for consumption of stores and spares, an amount of ₹ 362.46 million for advertisement and sales promotion, an amount of ₹ 279.67 million for outsourced manpower cost and an amount of ₹ 115.47 million towards corporate social responsibility expenses. However, the gross amount required to be spent towards corporate social responsibility by the Company, on a consolidated basis, during the period was ₹ 26.01 million. The excess spending towards corporate social responsibility during the period was primarily comprised of payments made towards corporate social responsibility by way of contribution to Shyam Steel Foundation Trust set up by our Company to undertaking charitable activities, *inter alia,* with the objective of promoting education and providing healthcare facilities. Our Company, on a consolidated basis, had made payment of ₹ 113.00 million to the Shyam Steel Foundation Trust during the period

Consolidated profit before tax

Our consolidated profit before tax for the nine months period ended December 31, 2018 was ₹ 1,774.55 million.

Total tax expense

Our total tax expense is ₹ 461.06 million for the nine months period ended December 31, 2018 which comprises of current tax of ₹ 476.99 million, deferred tax charge of ₹ 8.30 million and income tax of for earlier years amounting to ₹ (24.23) million.

Consolidated profit after tax for the period

Our consolidated profit after tax for the nine months period ended December 31, 2018 was ₹ 1,313.49 million.

Results of Operations for Fiscal 2018 compared to Fiscal 2017

Total Income

We had total income of ₹ 21,629.04 million in Fiscal 2018, an increase of 42.07% over our total income of ₹ 15,224.67 million in Fiscal 2017. This increase was mainly due to the following:

Revenue from operations. Our revenue from operations increased by 41.74% from ₹ 15,151.61 million for Fiscal 2017 to ₹ 21,475.89 million in Fiscal 2018. This increase in revenue from operations was primarily due to the following factors:

- Our revenue from sale of TMT Rebar and allied products, increased by 45.92% from ₹ 10,437.47 million in Fiscal 2017 to ₹ 15,230.35 million in Fiscal 2018. Our revenue from sale of billet increased by 28.01% from ₹ 3,691.73 million in Fiscal 2017 to ₹ 4,725.65 million in Fiscal 2018. The increase in revenue from sale of TMT Rebar and allied product and billet was primarily due to: (i) an increase in our aggregate installed capacities owing to expansion of installed capacity at our Angadpur Plant during Fiscal 2018 and acquiring the Barjora Plant on licence in Fiscal 2018; (iii) an increase in the aggregate capacity utilisation at our Steel Manufacturing Plants to meet the increase in demand of our finished products due to increase in our retail customers; and (iv) increase in realisation of average sales price per ton of our manufactured products in Fiscal 2018 as compared to Fiscal 2017.

- Our revenue from sale of others increased by 275.49% from ₹ 332.83 million in Fiscal 2017 to ₹ 1,249.76 million in Fiscal 2018. The increase in revenue from sale of others was primarily due to increase in sale of silico manganese and sponge iron.

- For Fiscal 2017, our revenue from sale of manufactured products included excise duty as compared to Fiscal 2018 where our revenue from sale of manufactured products included excise duty upto June 30, 2017. With effect from July 1 2017, the excise duty was subsumed under the goods and services tax. Hence our revenue from sale of manufactured products from July 1, 2017 onwards does not include excise duty.

- Our other operating revenues increased by 138.60% from ₹ 76.37 million in Fiscal 2017 to ₹ 182.22 million in Fiscal 2018. This increase is primarily due to: (i) increase in export incentive from ₹ 37.49 million in Fiscal 2017 to ₹ 56.62 million in Fiscal 2018; and increase in sale of scrap from ₹ 22.42 million in Fiscal 2017 to ₹ 97.41 million in Fiscal 2018. The increase in export incentive was primarily attributable to increase in exports of billet and silico manganese by our Company.

- *Other income.* Our other income has been increased by 109.62% from ₹ 73.06 million in Fiscal 2017 to ₹ 153.15 million in Fiscal 2018. The increase in other income was primarily due to: (i) ₹ 43.08 million of net gain on derivative instruments on fair valuation through profit and loss during Fiscal 2018; and (ii) increase in interest income under the effective interest method on investments from Nil in Fiscal 2017 to ₹ 7.20 million in Fiscal 2018.

Total Expenses

Our total expenses increased by 37.55% from ₹ 14,659.74 million in Fiscal 2017 to ₹ 20,164.13 million in Fiscal 2018. This increase in our total expenses was primarily due to the following factors.

Cost of materials consumed. Our cost of materials consumed increased by 54.46% from ₹ 8,505.43 million in Fiscal 2017 to ₹ 13,137.21 million in Fiscal 2018. This increase was primarily due to (i) an increase in purchase of raw material such as iron ore, coal, sponge iron, pig iron, manganese ore, coke and billet, which was in line with our increased production during Fiscal 2018; (ii) an increase in average purchase price per ton in Fiscal 2018 as compared to Fiscal 2017 for such raw materials~~.~~

Purchase of stock-in-trade. Purchase of stock-in-trade increased by 2,839.39% from ₹ 17.49 million in Fiscal 2017 to ₹ 514.10 million in Fiscal 2018. This increase was primarily as a result of an increase in the value and volume of products, procured from third parties and traded by us, in order to meet the excess of demands of our customer.

Changes in inventories of finished goods, work in progress and stock-in-trade. Changes in inventories of finished goods, work in progress and stock-in-trade amounting from ₹ (156.14) million in Fiscal 2017 to ₹ (84.83) million in Fiscal 2018. This was primarily due to an increase in the closing stock of finished goods attributable to increased production in our manufacturing units consequent to increase in our installed capacity and sale of products during this period.

Excise duty. Our excise duty expense decreased by 66.64% from ₹ 1,400.18 million in Fiscal 2017 to ₹ 467.10 million in Fiscal 2018. This decrease was primarily due to the implementation of GST from July 1, 2017. Accordingly the excise duty paid during Fiscal 2018 was applicable till June 30, 2017 and hence is not comparable to the excise duty paid in Fiscal 2017.

Employee benefits expense. Our employee benefits expense increased by 79.92% from ₹ 551.16 million in Fiscal 2017 to ₹ 991.67 million in Fiscal 2018. This increase was primarily due to (i) an increase in number of employees in the corresponding period at various levels in our organisation to cater the expansion of our operational capacities; and (ii) revision of wages and salaries.

Finance costs. Our finance costs increased by 12.17% from ₹ 310.47 million in Fiscal 2017 to ₹ 348.26 million in Fiscal 2018. This increase was primarily due to (i) an increase in the interest on others (including interest on deposits to dealers) from ₹

51.30 million in Fiscal 2017 to ₹ 82.51 million in Fiscal 2018 and (ii) exchange difference regarded as an adjustment to borrowing costs from ₹ 3.97 million in Fiscal 2017 to ₹ 11.55 million in Fiscal 2018.

Depreciation and amortisation expense. Our depreciation and amortisation expense decreased by 29.10% from ₹ 827.32 million in Fiscal 2017 to ₹ 586.56 million in Fiscal 2018. This decrease was primarily due to full depreciation of certain assets in the beginning of Fiscal 2018.

Other expenses. Our other expenses increased by 31.22% from ₹ 3,203.83 million in Fiscal 2017 to ₹ 4,204.06 million in Fiscal 2018. This increase was primarily due to an increase in:

- consumption of stores and spares from ₹ 289.90 million in Fiscal 2017 to ₹ 380.40 million in Fiscal 2018. The increase in consumption of stores and spares was primarily due to increase in aggregate installed capacities and aggregate utilisation capacity of our Steel Manufacturing Plants, and;

- power and fuel from ₹ 1,622.88 million in Fiscal 2017 to ₹ 2020.55 million in Fiscal 2018. The increase in our installed capacities and capacity utilisation in our Steel Manufacturing Plants. The increase in installed capacities and capacity utilisation required additional power which was not sourced from our captive power plants;

- rent from ₹ 11.41 million in Fiscal 2017 to ₹ 38.76 million in Fiscal 2018. The increase in rent was primarily attributable to acquiring our Barjora plant on licence during the Fiscal 2018;

- outsourced manpower cost from ₹ 126.54 million in Fiscal 2017 to ₹ 234.32 million in Fiscal 2018. The increase in outsourced manpower cost was primarily due to meet the increase in demand of our products;

- rates and taxes from ₹ 15.79 million in Fiscal 2017 to ₹ 160.94 million in Fiscal 2018. The increase in rates and taxes was primarily due to the payment of Entry tax for previous years as full and final settlement; and

- freight and delivery expenses from ₹ 413.76 million in Fiscal 2017 to ₹ 463.16 million in Fiscal 2018. The increase in freight and delivery expense was primarily due to an increase in our sales.

Consolidated profit before tax

Our consolidated profit before tax increased by 159.31% from ₹ 564.93 million in Fiscal 2017 to ₹ 1,464.91 million in Fiscal 2018.

Total tax expense

Our total tax expense increased by 214.22% from ₹ 118.17 million in Fiscal 2017 to ₹ 371.31 million in Fiscal 2018 compared to. This increase was primarily due to an increase in our consolidated profit before tax.

Consolidated profit after tax for the year

Our consolidated profit after tax for the year increased by 144.78% from ₹ 446.76 million in Fiscal 2017 to ₹ 1,093.60 million in Fiscal 2018.

Results of Operations for Fiscal 2017 compared to Fiscal 2016

Total Income

We had total income of ₹ 15,224.67 million in Fiscal 2017, with an increase of 30.237% over our total income of ₹ 11,690.60 million in Fiscal 2016. This increase was mainly due to the following:

Revenue from operations. Our revenue from operations increased by 30.40% from ₹ 11,619.74 million in Fiscal 2016 to ₹ 15,151.61 million in Fiscal 2017. This increase in revenue from operations was primarily due an increase in our revenue from sale of TMT Rebar and allied products and revenue from sale of billet.

Our revenue from sale of TMT Rebar and allied products increased by 27.19% from ₹ 8,206.52 million in Fiscal 2016 to ₹ 10,437.47 million in Fiscal 2017. Our revenue from sale of billet increased by 318.87% from ₹ 881.35 million in Fiscal 2016 to ₹ 3,691.73 million in Fiscal 2017. The increase in revenue from sale of TMT Rebar and allied products and billet was primarily due to (i) increase in installed capacities at our Mejia Plant during Fiscal 2017; (ii) increase in the capacity utilisation at our Steel Manufacturing Plants to meet the increase in demand of our finished products due to increase in our customer base; and (iii) increase in realisation of average sales price per ton of our products in Fiscal 2017 as compared to Fiscal 2016.

Other income. Our other income increased by 3.10% from ₹ 70.86 million in Fiscal 2016 to ₹ 73.06 million in Fiscal 2017. The increase in our other income was primarily due to increase in liabilities no longer required written back from ₹ 8.20 million in Fiscal 2016 to ₹ 16.49 million in Fiscal 2017.

Total Expenses

Our total expenses increased by 27.27% from ₹ 11,518.48 million in Fiscal 2016 to ₹ 14,659.74 million in Fiscal 2017. This increase in expenses was primarily due to following factors:

Cost of materials consumed. Cost of materials consumed increased by 34.72% from ₹ 6,313.35 million in Fiscal 2016 to ₹ 8,505.43 million in Fiscal 2017. This increase was primarily due to (i) an increase in the purchase of raw materials such as iron ore, coal, sponge iron, pig iron, coke and billet, which was in line with our increased production during Fiscal 2017 coupled with an increase in average purchase price per ton in Fiscal 2017 as compared to Fiscal 2016 for such raw materials.

Purchase of stock-in-trade. Purchase of stock-in-trade decreased by 37.69 % from ₹ 28.07 million in Fiscal 2016 to ₹ 17.49 million in Fiscal 2017. This increase was primarily as a result of decrease in the value and volume of products, purchased from third parties and traded by us.

Changes in inventories of finished goods, work in progress and stock-in- trade. Changes in inventories of finished goods, work in progress and stock-in-trade amounting from ₹ 209.48 million in Fiscal 2016 to ₹ (156.14) million in Fiscal 2017. This was primarily due to an increase in closing stock of work in progress attributable to increased production in our manufacturing units consequent to increase in our installed capacity and sale of products during this period.

Excise duty. Our excise duty expense increased by 29.57% from ₹ 1,080.67 million in Fiscal 2016 to ₹ 1,400.18 million in Fiscal 2017. This increase was primarily due to an increase in sale of our products and services.

Employee benefits expense. Our employee benefits expense increased by 65.06% from ₹ 333.92 million in Fiscal 2016 to ₹ 551.16 million in Fiscal 2017. This increase was primarily due to (i) an increase in employees in the corresponding period at various levels to cater to the expansion of our operational capacities; and (ii) revision of wages and salaries.

Finance costs. Our finance costs decreased by 11.04% from ₹ 349.00 million in Fiscal 2016 to ₹ 310.47 million in Fiscal 2017. This decrease was primarily due to decrease of interest on borrowing from ₹ 270.60 million in Fiscal 2016 to ₹ 229.41 million in Fiscal 2017, primarily due to a decrease in rate of interest on our borrowings.

Depreciation and amortisation expense. Our depreciation and amortisation expense decreased by 0.83% from ₹ 834.21 million in Fiscal 2016 to ₹ 827.32 million in Fiscal 2017. This decrease was primarily due to expiry of useful life of the assets in the beginning of Fiscal 2017.

Other expenses. Our other expenses increased by 35.20% from ₹ 2,369.78 million in Fiscal 2016 to ₹ 3,203.83 million in Fiscal 2017. This increase was primarily due to increase in:

- power and fuel from ₹ 1,250.75 million in Fiscal 2016 to ₹ 1,622.88 million in Fiscal 2017. The increase in power and fuel was primarily due to increase in our installed capacities and capacity utilisation of our Steel Manufacturing Plants which required additional power which was not sourced from our captive power plants;

- advertisement and sales promotion expenses from ₹ 129.46 million in Fiscal 2016 to ₹ 349.38 million in Fiscal 2017. The increase in advertisement and sales promotion expenses was due to increase in spending on our product brand promotion;

- freight and delivery expenses from ₹ 259.54 million in Fiscal 2016 to ₹ 413.76 million in Fiscal 2017 due to increase in our sales;

- advances and bad debt written off from ₹ 10.19 million in Fiscal 2016 to ₹ 64.78 million in Fiscal 2017;

- repairs expenses on our plant and machineries from ₹ 4.41 million in Fiscal 2016 to ₹ 47.13 million in Fiscal 2017; and

- loss on fair valuation of derivatives instrument measured at fair value through profit and loss (net) from ₹ 14.72 million in Fiscal 2016 to ₹ 25.66 million in Fiscal 2017.

Consolidated profit before tax

Our consolidated profit before tax increased by 228.22% from ₹ 172.12 million in Fiscal 2016 to ₹ 564.93 million in Fiscal 2017.

Total Tax Expense

Our tax expense increased by 20.43% from ₹ 98.12 million in Fiscal 2016 to ₹ 118.17 million in Fiscal 2017. This increase was primarily due to an increase in our consolidated profit before tax.

Consolidated Profit after tax for the year

Our consolidated profit after tax for the year increased by 503.73% from ₹ 74.00 million in Fiscal 2016 to ₹ 446.76 million in Fiscal 2017.

Liquidity and Capital Resources

The table below summarises the statement of cash flows, as per our restated consolidated summary statement of cash flow, for nine months period ended December 31, 2018 and for Fiscals 2018, 2017 and 2016.

(₹ in million)

Particulars	Nine months period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Cash flow generated from operating activities	2290.17	1,836.81	625.83	1,570.97
Net cash flows used in investing activities	(1,641.97)	(842.75)	(293.27)	(484.05)
Net cash flows used in financing activities	(569.08)	(981.06)	(331.33)	(1161.95)

Cash Flows from Operating Activities

Nine months period ended December 31, 2018

For the nine months period ended December 31, 2018, our cash flow generated from operating activities was ₹ 2,290.17 million.

While our restated consolidated profit before tax was ₹ 1,774.55 million for the nine months period ended December 31, 2018, we had an operating cash flow before working capital changes of ₹ 2,403.22 million primarily as a result of depreciation and amortisation expense of ₹ 344.15 million and finance costs of ₹ 251.17 million which was partially offset by liability no longer required written back of ₹ 8.52 million, interest income of ₹ 5.76 million from fixed deposits and interest income of ₹ 4.82 million from investment.

Our changes in working capital for the nine months period ended December 31, 2018, primarily comprised of increase in trade receivables of ₹ 167.21 million and increase in loans, other financial assets and other assets (net) of ₹ 216.70 million which were partially offset by increase in trade payables, other liability, other financial liability and provisions (net) of ₹ 670.35 million.

Fiscal 2018

For Fiscal 2018, our cash flow generated from operating activities was ₹ 1,836.81 million.

While our restated consolidated profit before tax for Fiscal 2018 was ₹ 1,464.91 million, we had an operating cash flow before working capital changes of ₹ 2,384.26 million primarily as a result of depreciation and amortisation expense of ₹ 586.56 million, and finance costs of ₹ 348.26 million, which were primarily offset by net gain on derivatives instruments on fair valuation through profit and loss of ₹ 43.08 million, deferred revenue on government grant of ₹ 28.19 million and interest income of ₹ 7.98 million from fixed deposits.

Our changes in working capital primarily comprised of increase in trade receivables of ₹ 864.43 million and increase in inventories of ₹ 586.08 million which were partially offset by decrease in loans, other financial assets and other assets (net) of ₹ 903.16 million.

Fiscal 2017

For Fiscal 2017, our net cash flow generated from operating activities was ₹ 625.83 million.

While our restated consolidated profit before tax for Fiscal 2017 was ₹ 564.93 million, we had an operating cash flow before working capital changes of ₹ 1,773.98 million primarily as a result of depreciation of ₹ 827.32 million and finance costs of ₹ 310.47 million, which were primarily offset by liability no longer required written back of ₹ 16.49 million, deferred revenue on government grant of ₹ 16.46 million and interest income of ₹ 10.65 million from investment, fixed deposits and security deposits interest.

Our changes in working capital primarily comprised of increase in trade receivables of ₹ 17.40 million increase in inventories of ₹ 512.18 million, increase in loans, other financial assets, other assets ₹ 760.91 million which were partially offset by a decrease in trade payables, other financial liabilities and provision of ₹293.26 million.

Fiscal 2016

For Fiscal 2016, our net cash flow generated from operating activities was ₹ 1,570.97 million.

While our restated consolidated profit before tax for Fiscal 2016 was ₹ 172.12 million, we had an operating cash flow before working capital changes of ₹ 1,378.50 million primarily as a result of depreciation of depreciation of ₹ 834.21 million, finance costs of ₹ 349.00 million, provision for doubtful debts of ₹ 8.26 million, which were partially offset by deferred revenue on government grant of ₹ 46.06 million, interest income of ₹ 11.10 million from investment, fixed deposits and security deposits interest and liability of ₹8.20 million no longer required and written back.

Our changes in working capital primarily comprised of increase in trade receivables of ₹ 229.30 million and increase in loans, other financial assets and other assets of ₹ 140.03 million which were partially offset by decrease in inventories of ₹ 454.29 million and decrease in trade payables, provision and other financial liabilities of ₹ 214.93 million.

Cash Flows from Investing Activities

Nine months period ended December 31, 2018

For nine months period ended December 31, 2018, our net cash flows used in investing activities was ₹ 1,641.97 million which primarily comprised of (i) purchase of current investments (net) of ₹1,147.62 million; and (ii) purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances) of ₹ 478.80 million. The increase in purchase of property, plant and equipment and intangible assets was primarily to facilitate increase in installed capacities of our Steel Manufacturing Plants.

Fiscal 2018

For Fiscal 2018, our net cash flows used in investing activities was ₹ 842.75 million which primarily comprised of (i) purchase of current investments (net) of ₹ 186.62 million; and (ii) purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances) of ₹ 733.14 million. Our Company had purchased current investment during the Fiscal 2018 which was subsequently liquidated primarily for our capital expenditure and operating requirements to facilitate increase in installed capacities of our Steel Manufacturing Plants.

Fiscal 2017

For Fiscal 2017, our net cash flows used in investing activities was ₹ 293.27 million which primarily comprised of (i) purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances) ₹ 344.59 million to facilitate increase in installed capacities of our Steel Manufacturing Plants; (ii) proceeds of current investments (net) of ₹ 60.85 million; and (iii) investment in bank deposits amounting to ₹ 31.05 million.

Fiscal 2016

For Fiscal 2016, our net cash flows used in investing activities was ₹ 484.05 million which primarily comprised of (i) purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances) of ₹ 358.89 million to facilitate increase in installed capacities of our Steel Manufacturing Plants; and (ii) purchases of investments (net) of ₹ 169.23 million.

Cash Flows from Financing Activities

Nine months period ended December 31, 2018

For the nine months period ended December 31, 2018, our net cash flows used in financing activities was ₹ 569.08 million which primarily comprised of repayment of non-current borrowings of ₹ 511.24 million; (ii) finance cost paid of ₹ 264.07 million which was partially offset by proceeds from non-current borrowings of ₹ 118.77 million.

Fiscal 2018

For Fiscal 2018, our net cash flows used in financing activities was ₹ 981.06 million which primarily comprised of (i) decrease in other borrowings of ₹ 389.68 million; (ii) repayments of non-current borrowing of ₹ 173.97 million; (iii) finance cost paid of ₹ 353.24 million; and (iv) an amount of ₹ 122.43 million for purchase consideration paid towards acquisition of business. The purchase consideration was paid towards acquisition of 1.48% stake in Shyam Steel Manufacturing Limited, subsequent to which the Company held 100% equity shares in Shyam Steel Manufacturing Limited.

Fiscal 2017

For Fiscal 2017, our net cash flows used in financing activities was ₹ 331.33 million which primarily comprised of (i) repayments of non-current borrowing of ₹ 486.55 million; (ii) finance cost paid of ₹ 358.39 million consisting of interest cost towards our loan obligation, (iii) payment of ₹150 million for equity share buy-back, which were partially offset by increase of ₹ 505.36 million in other borrowings.

Fiscal 2016

For Fiscal 2016, our net cash flows used in financing activities was ₹ 1,161.95 million which primarily comprised of (i) repayments of borrowings of ₹ 773.82, million (net); (ii) finance cost paid of ₹ 412.62 million; and (iii) purchase consideration of ₹ 236.24 million paid for the acquisition of additional 19.55% stake in Shyam Steel Manufacturing Limited and additional 25% stake in Shyam Mining Private Limited.

Indebtedness

As of December 31, 2018, we had total non-current borrowings amounting to ₹ 502.96 million. Our non-current borrowings, which primarily consisted of Rupee term loans from banks. For further details, see "*Financial Statements*" beginning on page 171.

Contractual obligations and commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of December 31, 2018:

(₹ in million)

Particulars	Amount as of December 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 76.73 million)	94.33

Contingent Liabilities

As of December 31, 2018, our contingent liabilities that have not been provided for were as follows:

(i) *Claims/disputes/demands not acknowledged as debts*

(₹ in million)

Particulars	Amount as of December 31, 2018
Sales tax/ VAT liability under dispute/appeal	2.69
Excise duty liability under dispute/ appeal	114.24
Income tax liability under dispute/ appeal	8.58

Additions to property, plant and equipment

For nine months period ended December 31, 2018 and for Fiscals 2018, 2017 and 2016, our additions to property, plant and equipment was ₹ 888.53 million, ₹ 314.70 million, ₹ 217.39 million, and ₹ 341.13 million, respectively.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. See "*Financial Statements – Annexure VI – Note 37 – Related Party Transactions*" on page 222.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the course of our business. Market risk is the risk of loss arising out of adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange risk.

Commodity Price Risk

We are exposed to fluctuations in the price of raw materials, intermediate and final products. The market price of these commodities fluctuate due to certain factors, such as government policy, level of demand and supply in the market and global economic environment. Therefore, fluctuations in the prices of raw materials and our intermediate and final products have a significant effect on our business, results of operations and financial condition.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our borrowings. The interest on term loans and fund based working capital facilities availed by us, the interest rate primarily consist of floating rate obligations linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations.

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may affect our working capital cycle and/or we may have to make provision for or write-off on such amounts. For the nine months period ended December 31, 2018 and for Fiscals 2018, 2017 and 2016, gross trade receivables, on a consolidated basis, was ₹ 2,603.91 million, ₹ 2,436.60 million, ₹ 1,609.66 million and ₹ 1,657.04 million, respectively, and our provision for impairment was ₹ 65.97 million, ₹ 15.84 million, ₹ 6.82 million and ₹ 14.23 million, respectively.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Significant economic changes

Other than as described above under "*Significant Factors Affecting Our Results of Operations and Financial Condition*", to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Competitive conditions

Our business operations are affected by completion from a number of international and domestic third-party logistics service providers. For details, see "*Risk Factors-Developments in the competitive environment in the steel industry, such as expansion in production capacity of our competitors, consolidation among our competitors, could have a material adverse effect on our competitive position and hence our business, financial condition, results of operations or prospects*" on page 30.

Unusual or infrequent events of transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in "- *Significant Factors Affecting Our Results of Operations and Financial Condition*" on page 257 and the uncertainties described in "*Risk Factors*" beginning on page 23. To our knowledge, except as described in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse effect on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 124 and 255, respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

Significant developments after December 31, 2018 that may affect our future results of operations

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

Significant dependence on business partners or customers

Our business is not affected by risks associated with dependency on some of our customers and business partners. For further details see, *"Our Business"* beginning on page 124.

Status of our relatively new business venture

Except as disclosed in "*Our Business*" on page 124, we have not announced and do not expect to announce in the near future any new products or business segments.

Total turnover of each major industry segment in which our Company operated

Our Company is predominantly engaged in a single reportable segment of iron and steel.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes and (iv) outstanding material litigation, in each case involving our Company, Subsidiaries, Promoters and Directors (the "**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or any stock exchanges against our Promoters in the last five fiscals, including any outstanding action.*

In relation to (iv) above, our Board in its meeting held on May 16, 2019, has considered and adopted a policy of materiality for identification of material litigation. In terms of the materiality policy adopted by our Board, any outstanding litigation:

a. involving our Company and Subsidiaries, in which the aggregate monetary amount of claim by or against our Company and Subsidiaries, exceeds an amount equivalent to one percent of the consolidated profit after tax as per the Restated Consolidated Financial Information for the Fiscal 2018 would be considered material. Our consolidated profit after tax as per the Restated Consolidated Financial Information for the Fiscal 2018 is ₹ 1,093.60 million. Accordingly, all outstanding litigation involving our Company and Subsidiaries in which the amount involved exceeds ₹ 10.94 million (being one percent of the consolidated profit after tax as per the Restated Consolidated Financial Information for the Fiscal 2018) have been identified as material and disclosures have been included (i) where the aggregate amount involved in an individual litigation exceeds ₹ 10.94 million; (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹ 10.94 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations, prospects or financial position or reputation of our Company, has been considered to be material; and

b. involving our Promoters and Directors, the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.

Except as stated in this section, there are no outstanding litigation involving our Group Companies, the outcome of which would have a material impact on our Company.

*Our Board, in its meeting held on May 16, 2019, has approved that, a creditor of our Company, shall be considered to be material for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds 5 % of the total consolidated trade payables of our Company as per the latest restated consolidated financial information of our Company for the latest period disclosed in the offer documents. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 62.90 million (being approximately 5% of total consolidated trade payables of our Company as per the Restated Consolidated Financial Information for the nine months period ended December 31, 2018) ("**Material Dues**"). Further, our Board approved that for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditor.*

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.

We have disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims, except for taxation matters which involve an amount exceeding ₹ 10.94 million.

A. Litigation involving our Company

Litigation filed against our Company

Matters involving an amount above ₹ 10.94 million

There are no matters involving an amount exceeding ₹ 10.94 million against our Company. Other matters below such threshold include writ petitions against land authorities impleading our Company as interested parties in relation to cancellation of land lease, suit for injunction in respect of invocation of bank guarantee, suit for claiming compensation in relation to accidental injuries by a vehicle owned by the Company and suit in relation to title over a plot of land. The matters are currently pending.

Tax proceedings

The consolidated details of tax proceedings involving our Company are as follows:

Nature	Number of cases	Amounts involved (in ₹ million)
Direct tax	8	407.89[#]
Indirect tax	20[*]	92.23

[#] *An amount of ₹ 429.42 million has been paid by our Company in the form of advance tax, TDS or self-assessment tax or is adjusted from MAT credit entitlement of our Company for the assessment years in respect of which the aforesaid matters are pending and accordingly, our Company has received the refund amounts in respect of certain matters.*

* *Includes three cases under which penalty has been levied against our Directors.*

<u>Direct tax</u>

Out of the above eight direct tax matters involving our Company, following matters individually involve an amount exceeding ₹ 10.94 million:

1. Five matters pertain to the assessment years 2006 to 2012, out of which three matters are in respect of adjudication as to whether the power subsidy received by our Company under the West Bengal Incentive to Power Intensive Industries Scheme, 2005 is capital or revenue receipt in nature and two matters are in respect of adjudication as to whether industrial promotion assistance received by our Company under the West Bengal Incentive Scheme, 2000 is capital or revenue receipt in nature. The aggregate amount involved in these matters is ₹ 225.45 million. The matters are currently pending at various stages of adjudication.

2. One direct tax matter pertains to an appeal filed for the assessment year 2012-13 before the Commissioner of Income Tax (Appeals), Kolkata in respect of *inter alia* interest on delayed payment of tax deducted at source, disallowance of depreciation claim and minimum alternative tax credit, disallowance of delayed payment of provident fund and other labour welfare contributions by our Company. The amount involved in the matter is ₹ 85.73 million. The matter is currently pending.

3. One direct tax matter pertains to an appeal filed for the assessment year 2016-17 before the Commissioner of Income Tax (Appeals), Kolkata in respect of *inter alia* adjudication as to whether the industrial promotion assistance received by the Company is capital or revenue receipt in nature and other matter such as, addition of provision for bad and doubtful debt in income of the Company and calculation of disallowance amount under the Section 14A of Income Tax Act, 1961, read with Rule 8 of the Income Tax Rules, 1962. The amount involved in the matter is ₹ 94.93 million. The matter is currently pending.

<u>Indirect tax</u>

Out of the above 20 indirect tax matters, following matters individually involves the amount exceeding ₹ 10.94 million:

1. One matter pertains to levy of duty on account of irregular CENVAT credit of countervailing duty on imported coal by our Company. The amount involved in this matter is ₹ 38.32 million. The matter is currently pending.

2. One matter pertain to levy of duty on account of impermissible utilisation of CENVAT credit for coal and clandestine clearance of billets by our Company. The amount involved in this matter is ₹ 17.76 million. The matter is currently pending

3. One matter pertain to levy of duty on account of irregular utilisation of CENVAT credit for structural steel products by our Company. The amount involved in this matter is ₹ 11.71 million. The matter is currently pending.

Litigation filed by our Company

Criminal matters

All criminal matters listed below have been filed by our Company under Section 138 of the Negotiable Instruments Act in relation to the outstanding payment for the TMT rebars supplied to the respondents by our Company.

1. A criminal complaint has been filed by our Company against M/s. Raju Trading Company (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.05 million. The matter is currently pending.

2. A criminal complaint has been filed by our Company against M/s. Sukla Iron and Marble (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.23 million. The matter is currently pending.

3. A criminal complaint has been filed by our Company against M/s. Jai Maa Laxmi Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.10 million. The matter is currently pending.

4. A criminal complaint has been filed by our Company against M/s. Jamuna Prasad Gaya Prasad (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 2.50 million. The matter is currently pending.

5. A criminal complaint has been filed by our Company against M/s. Jai Maa Laxmi Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.34 million. The matter is currently pending.

6. A criminal complaint has been filed by our Company against M/s. Shri Maha Laxmi Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.38 million. The matter is currently pending.

7. A criminal complaint has been filed by our Company against M/s. Jai Maa Ambey Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 1.04 million. The matter is currently pending.

8. A criminal complaint has been filed by our Company against M/s. Ganpati Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.23 million. The matter is currently pending.

9. A criminal complaint has been filed by our Company against M/s. Ganpati Iron & Cements Store (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 1.02 million. The matter is currently pending.

10. A criminal complaint has been filed by our Company against M/s. N. Laxmi Enterprises (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.20 million. The matter is currently pending.

11. A criminal complaint has been filed by our Company against M/s. Ritika Enterprise (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.50 million. The matter is currently pending.

12. A criminal complaint has been filed by our Company against M/s. House Enterprise (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.20 million. The matter is currently pending.

13. A criminal complaint has been filed by our Company against M/s. Survanshi Cement Store (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.38 million. The matter is currently pending.

14. A criminal complaint has been filed by our Company against M/s. Balaji Steel Trade, Ashish Periwal and Narendra Kumar Periwal (partners of M/s. Balaji Steel Trade) (the "**Respondents**") under in respect of dishonour of cheque issued by the Respondents amounting to ₹ 2.50 million. The matter is currently pending.

15. A criminal complaint has been filed by our Company against M/s. Priya Enterprises (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.51 million. The matter is currently pending.

16. One criminal complaint has been filed by our Company against M/s. Rukmani Buildtech Private Limited, Ajeet Azad and Renu Azad (directors of M/s. Rukmani Buildtech Private Limited) (the "**Respondents**") in respect of dishonour of cheque issued by the Respondents amounting to ₹ 0.60 million. The matter is currently pending.

17. A criminal complaint has been filed by our Company against M/s. Hari Om Enterprises (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.61 million. The matter is currently pending.

18. A criminal complaint has been filed by our Company against M/s. Maa Shakti Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.78 million. The matter is currently pending.

19. A criminal complaint has been filed by our Company against M/s. Sukhdeo Sah Raj Kumar (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 1.14 million. The matter is currently pending.

20. A criminal complaint has been filed by our Company against M/s. R. K. Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.98 million. The matter is currently pending.

21. A criminal complaint has been filed by our Company against M/s. Ganpati Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.20 million. The matter is currently pending.

22. A criminal complaint has been filed by our Company against M/s. KGN Traders (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.57 million. The matter is currently pending.

23. A criminal complaint has been filed by our Company against M/s. Biswajit Steel & Cements (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.39 million. The matter is currently pending.

24. A criminal complaint has been filed by our Company against M/s. Mahalaxmi Bhandar (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.31 million. The matter is currently pending.

25. A criminal complaint has been filed by our Company against M/s. Annu Enterprises (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.28 million. The matter is currently pending.

26. A criminal complaint has been filed by our Company against M/s. Dutta Distributors (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.51 million. The matter is currently pending.

27. A criminal complaint has been filed by our Company against M/s. Anuradha Marbels & Tiles and others (the "**Respondents**") in respect of dishonour of cheque issued by the Respondents amounting to ₹ 0.43 million. The matter is currently pending.

28. A criminal complaint has been filed by our Company against M/s. Sinha Iron (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.43 million. The matter is currently pending.

29. A criminal complaint has been filed by our Company against M/s. Maa Mangala Stores (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.12 million. The matter is currently pending.

30. A criminal complaint has been filed by our Company against Mr. Kalipada Dev (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.15 million. The matter is currently pending.

31. A criminal complaint has been filed by our Company against M/s. Builders India and others (the "**Respondents**") in respect of dishonour of cheque issued by the Respondents amounting to ₹ 4.08 million. The matter is currently pending.

32. A criminal complaint has been filed by our Company against M/s. Agrani Hardware (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.53 million. The matter is currently pending.

Matters involving an amount above ₹ 10.94 million

1. Our Company ("**Plaintiff**") has filed a suit against First Construction Council, ASAPP Info Global Services Limited, Pratap Vijaysingh Padode and others ("**Defendants**") before the High Court of Delhi ("**High Court**") in relation to defamation, disparagement and denigration of the trademark of plaintiff by dissemination and circulation of an industry report, and contents thereof, published by First Construction

Council. The Plaintiff has claimed *inter alia,* for permanent injunction restraining the Defendants from displaying, disseminating and propagating such industry report or contents thereof in print or electronic media or dissemination of images, leaflets, messages or videos or conducting conferences based on such report and damages of ₹ 100 million from First Construction Council, ASAPP Info Global Services Limited and Pratap Vijaysingh Padode. The High Court passed an *ex-parte* interim order ("**Interim Order**") pursuant to an application filed by the Plaintiff *inter alia,* refraining the Defendants from disseminating and circulating the contents of such reports in any other electronic or print media or disseminating and circulating any images, messages or videos or based on such report. The Defendants have filed applications before the High Court to vacate the Interim Order. The matter is currently pending.

2. Our Company ("**Plaintiff**") has filed a suit ("**Suit**") in relation to trademark infringement, along with an interim application (the "**Interim Application**") before the Calcutta High Court against Shyam Sel and Power Limited and Shyam Metalics and Energy Limited ("**Defendants**") *inter alia,* seeking a perpetual injunction restraining the Defendants: (i) from infringing the Plaintiff's registered trademark "SHYAM"; (ii) from passing off their products by use of any trademark comprising the word "SHYAM" or any other identical mark in connection with TMT bars and construction materials; and (iii) ad-interim orders in respect of (i) and (ii) above. The Plaintiff has, *inter alia,* sought damages amounting to ₹ 1,000 million from the Defendants. The Calcutta High Court passed an order (the "**Order**") requiring the Defendants to file their affidavits within the stipulated time and observed that prima facie, the Court would not grant injunction against the Defendants. However, such prima facie observations were for the purposes of passing an order at the ad-interim stage after exchange of affidavits and would have no relevance at the time of considering and deciding the Suit. The Plaintiff has filed an appeal along with a stay petition against the Order. The amount involved in the matter is ₹ 1,000 million. The matter is currently pending.

Outstanding dues to creditors

Our Company, in its ordinary course of business, has trade payables, on a consolidated basis, which are due towards micro, small and medium enterprises and creditors (other than micro, small and medium enterprises). As at December 31, 2018, our Company had outstanding trade payables aggregating to ₹ 1,258 million, on a restated consolidated basis. Such outstanding trade payables are due towards micro, small and medium enterprises and creditors other than micro, small and medium enterprises.

Details of outstanding dues owed by our Company as on December 31, 2018 are set out below.

Particulars	Number of creditors	Amount (₹ in million)
Due to micro, small and medium enterprises (MSMEs)	13	2.41
Material Dues	4	708.29
Other dues to creditors	722	547.29
Total	**739**	**1,258.00**

The complete details pertaining to outstanding over-dues towards our material creditors, along with their names and amount involved for each such material creditor, are available on the website of our Company at https://shyamsteel.com/investors/ListOfCreditors.pdf. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus and investors should not make any investment decision based on information available on the website of the Company. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

B. Litigation involving our Subsidiaries

Litigation involving Shyam Steel Manufacturing Limited ("SSML") (previously known as Sova Ispat Limited)

Litigation against SSML

Tax proceedings

The consolidated details of tax proceedings involving SSML are as follows:

Nature	Number of cases	Amounts involved (in ₹ million)
Direct tax	8	39.04#
Indirect tax	20*	131.67

An amount of ₹ 39.73 million has been paid by SSML in the form of advance tax, TDS or self-assessment tax or is adjusted from MAT credit entitlement of SSML for the assessment years in respect of which the aforesaid matters are pending and accordingly, SSML has received the refund amounts in respect of certain matters.

* *Includes one case involving the Company under which penalty has been levied against one of our Directors.*

Direct tax

Out of the above eight direct tax matters, following matters individually involve an amount exceeding ₹ 10.94 million:

1. Two matter pertain to the assessment year 2008-09, out of which one matter is a rectification petition in respect of disallowance of credit of self-assessment tax by SSML and one matter is an appeal in respect of setting aside the revision order passed under Section 263 of the Income Tax Act, 1961 on the grounds of it being barred by limitation. The aggregate amount involved in these matters is ₹ 13.07 million. These matters are pending.

2. Two matters pertain to the assessment year 2010-2011 in respect of adjudication as to whether the industrial promotion assistance received by SSML during the assessment year is capital or revenue receipt in nature. The amount involved is ₹ 19.04 million. The matters are currently pending different stages of adjudication.

Indirect tax

Out of the above 20 indirect tax matters, following matters individually involves an amount exceeding ₹ 10.94 million:

1. One matter pertains to levy of duty on account of clandestine manufacturing and clearance of sponge iron without payment of central excise duty by SSML. The amount involved for SSML in this matter is ₹ 78.55 million. The matter is currently pending.

2. One matter pertains to levy of duty on account of irregular availment of CENVAT credit for structural steel products by SSML during the period from April 2006 to August 2010. The amount involved in this matter is ₹ 31.10 million. The matter is currently pending.

Matters involving an amount above ₹ 10.94 million

SSML had applied to the Union of India for allocation of a captive coal block in Ardhagram in Bankura district of the state of West Bengal ("**Ardhagram Block**"). The Union of India, *vide* a letter of allotment dated December 6, 2007, allocated the Ardhagram Block jointly to SSML and Jai Balaji Industries Limited (formerly known as Jai Balaji Sponge Limited), *inter alia,* on the condition that coal shall be supplied to Jai Balaji Industry Limited at a price which will be determined based on recommendation of the Government of India. During the pendency of decision making for fixation of transfer price, the Supreme Court in the case of *Manohar Lal Sharma vs Principal Secretary and others*, *inter alia,* cancelled, the allocation of various coal block, including the Ardhagram Block and had ordered re-allocation of such cancelled coal blocks by way of fresh auction. Pursuant to such decision of the Supreme Court, the Central Government enacted the Coal Mines (Special Provisions) Act, 2015 and framed the Coal Mines (Special Provisions) Rules, 2014, *inter alia*, for allocation of cancelled coal blocks by way of fresh auction. The following cases have been filed against SSML in relation to the Ardhagram Block.

1. Jai Balaji Industries Limited ("**Plaintiff**") has filed a suit against SSML, Nominated Authority, Ministry of Coal (the "**Authority**") and others before the Tribunal at Godda, Jharkhand and West Bengal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Coal Mines (Special Provision) Act, 2015 (the "**Act**") claiming *inter alia* to be treated as one of the co-allottees and be adequately compensated for cancellation of the Ardhagram Block under the Act and the Coal Mines (Special Provisions) Rules, 2014. The Plaintiff has further, *inter alia,* sought for quashing the orders passed by the Authority determining the compensation payable to SSML in relation to the land and mine infrastructure and release of payment to SSML with respect to geographical report of the Ardhagram Block without considering objections raised by the Plaintiff, and a direction to the Authority to re-determine the compensation to be paid to each of co-allottees of the Ardhagram Block. The matter is currently pending.

2. Jai Balaji Industries Limited ("**Plaintiff**") has filed a suit against SSML, Nominated Authority, Ministry of Coal and others ("**Defendants**") before the 2nd Court of Civil Judge, Senior Division, Barasat ("**Court**"), seeking, *inter alia,* declaration of recommended transfer price ₹ 1,050 per Metric Tonne ("**Transfer Price**") in respect of coal supplied from the Ardhagram Block as illegal, null and void, a decree for re- determination of the transfer price, a perpetual injunction restraining SSML from making any demands on the basis of the bills based on the Transfer Price, a decree for refund of excess payments made to the Defendants based on the recommended Transfer Price and damages for loss suffered amounting to ₹ 70 million as a result of illegal recommendation of Transfer Price by the Nominated Authority, Ministry of Coal under the tripartite agreement entered between SSML, Plaintiff and Eastern Coal Fields Limited ("**Tripartite Agreement**"") for supply of coal from the Ardhagram Block. Subsequent to the order of Nominated Authority, Ministry of Coal for recommending the levy of Transfer Price retrospectively on coal supplied to the Plaintiff from the Ardhagram Block, SSML had demanded payment of outstanding amount from the Plaintiff on the basis of the such recommended Transfer Price, deducting the ad-hoc payment already made by the Plaintiff based on ad-hoc transfer price of ₹ 500 per Metric Tonne. Accordingly, the Plaintiff filed the aforesaid suit against the

Defendants and also sought for perpetual injunction orders restraining the Defendants from making any claims under the Transfer Price. The Plaintiff has filed an interim application in connection with the suit seeking to *inter alia*, restrict SSML to give any effect or act in furtherance to such Transfer Price. The matter is currently pending.

3. In addition to the above, three writ petitions and two connected interlocutory applications have been filed by Bengal Sponge Manufactures Mining Private Limited ("**Petitioner**") against SSML and others before the Calcutta High Court ("**High Court**"), *inter alia*, seeking to quash the allocation of Ardhagram Block to SSML and Jai Balaji Industries Limited and allocating the balance reserves of Ardhagram Block to the Petitioner. The matter is currently pending.

Litigation by SSML

Matters involving an amount above ₹ 10.94 million

The following matters have been filed by SSML in relation to the Ardhagram Block. For details of events in respect of Ardhagram Block, see "*Litigation against SSML- Matters involving an amount above ₹ 10.94 million*".

1. SSML ("**Plaintiff**") has filed a suit against the Union of India and Nominated Authority, Ministry of Coal (the "**Defendants**") before the Tribunal at Godda, Jharkhand and West Bengal, constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957 alleging *inter alia* that the valuation made by the Defendants under the Coal Mines (Special Provision) Act, 2015, for various heads of compensation, pursuant to the vesting order of the Ardhagram Block in favour of OCL Iron & Steel Limited is contrary to law and arbitrary in nature. The Plaintiff has *inter alia* claimed for enhanced compensation under the Coal Mines (Special Provision) Act, 2015 in respect of 22.08 hectares of land purchased by them on the basis of fair market value provided by the Office of the Inspector General of Registration and Commissioner of Stamp Revenue, West Bengal, cost of mine infrastructure, cost of obtaining statutory licences, permits, consents, permissions and approvals obtained for the purpose of carrying out the mining activity for Ardhagram Block. The amount involved in the matter is ₹ 264.28 million. The matter is currently pending.

2. SSML ("**Claimant**") has initiated arbitration proceedings before the sole arbitrator appointed by the Calcutta High Court ("**High Court**", such arbitrator appointed by the High Court as the "**Sole Arbitrator**") against Jai Balaji Industries Limited ("**Respondent**") under the tripartite agreement entered between the Claimant, Eastern Coal Fields Limited and the Respondent for the supply of Respondent's proportionate share of coal mined from the Ardhagram Block by the Claimant in terms of the allotment letter for joint allocation of the Ardhagram Block. The Respondent has, *inter alia,* disputed the Transfer Price determined by the Ministry of Coal for the supply of coal and refused to make the difference payment of ₹ 550 per metric tonne of coal (being the balance between the Transfer Price and the ad-hoc price of ₹ 500 per metric tonne decided by the Claimant and the Respondent). The Claimant has sought, *inter alia*, recovery of payments due for coal supplied to the Respondent amounting to ₹ 123.02 million together with interest and costs.

   The Sole Arbitrator pursuant to an application by the Claimant under Section 17 of the Arbitration and Conciliation Act, 1996, granted interim reliefs in favour of the Claimant, *inter alia,* directing the Respondent to furnish: (i) security to cover the amount of ₹ 63.09 million together with interest at 12% per annum thereon in form of its fixed asset or bank guarantee in any nationalised bank in favour of the appointed receivers to the arbitration proceeding; and (ii) a simple bond to secure the payment of ₹ 59.92 million, in the event an award is passed in favour of the Claimant. The matter is currently pending.

3. SSML ("**Petitioner**") has filed a writ petition against Chief Information Commissioner and others ("**Respondents**") before the High Court of Delhi ("**High Court**") seeking writs, *inter alia*, against the order passed by Chief Information Commission ("**CIC**") allowing an appeal filed by Bengal Sponge Manufacturer and Mining Private Limited under Right to Information Act, 2005 ("**Impugned Order**") and to forbear the Respondents from disclosing any part of the mining report submitted by the Petitioner in connection with the allocation of the Ardhagram Block to any personal authority or entity. The High Court had passed an interim order directing a stay on the Impugned Order until further orders by the High Court. The matter is currently pending.

C. Litigation involving our Promoters

Criminal matters

Lalit Beriwala

State of Bengal has filed a criminal case against Lalit Beriwala and others before the Chief Metropolitan Magistrate, Calcutta alleging *inter alia* criminal conspiracy for misappropriation of 131.340 Metric Tonnes of steel rods, which belonged to Rashtriya Ispat Nigam Limited, by forging letters in the name of the executive engineer. The City Sessions

Court, Kolkata has granted anticipatory bail to Lalit Beriwala pursuant to an application made by him. The matter is currently pending.

Tax Litigations

As on the date of this Draft Red Herring Prospectus, Ravi Beriwala and Purushottam Beriwala, two of our Promoters, are involved in the following tax proceedings:

Nature	Number of cases	Amount involved (in ₹ million)
Direct tax	-	-
Indirect tax	3#	1.50*

\# *includes a case involving Ravi Beriwala and two cases involving Purushottam Beriwala*

* *includes a case in which penalty amount has not been quantified*

Out of the above three indirect tax matters involving our Promoters, following are the matters which involve our Company and/or Subsidiaries and the amount involved above ₹ 10.84 million:

1. An appeal has been filed by our Promoter and Whole-time director, Ravi Beriwala, against the levy of penalty of ₹ 0.10 million against him. For details, see "*–Litigation involving our Company – Matters involving an amount above ₹ 10.94 million – Indirect Tax –Sr. No. 2.*

2. A show cause cum demand notice cum has been received by our Promoter and Whole-time Director, Purushottam Beriwala, for levy of penalty under Rule 26 of Central Excise Tax Rules, 2002. For details, see "*–Litigation against SSML – Matters involving an amount above ₹ 10.94 million – Indirect Tax –Sr. No. 1.*

D. Litigation involving our Directors

Criminal Matters

For details in relation to the outstanding litigation involving Lalit Beriwala, see "*– Litigation involving our Promoters –Criminal Matters*", on page 291.

Tax Litigations

As on the date of this Draft Red Herring Prospectus, Deepak Chowdhary, one of our Directors, is involved in the following tax proceedings.

Nature	Number of cases	Amount involved (in ₹ million)
Direct tax	-	-
Indirect tax	1	0.50

The above indirect tax matter pertains to an appeal being filed by our Whole-time director, Deepak Chowdhary, ("**Appellant**") against the levy of penalty of ₹ 0.50 million against him. For details, see "*–Litigation involving our Company – Matters involving an amount above ₹ 10.94 million – Indirect Tax –Sr. No. 2"* on page 286.

For details in relation to the tax litigation involving our other Directors, see "*– Litigation involving our Promoters– Tax Litigations*" on page 292.

E. Material Developments

For details of material developments since last balance sheet date, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after December 31, 2018 that may affect our future results of operations*" on page 283.

GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company and our Material Subsidiary which are considered material and necessary for the purpose of undertaking their business activities and operations ("**Material Approvals**"). In view of these Material Approvals, our Company can undertake this Issue. In addition, certain of our Material Approvals may have lapsed or may lapse in their normal course and our Company and our Material Subsidiary have either already made applications to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications. Unless otherwise stated, Material Approvals as set out below, are valid as on date of the Draft Red Herring Prospectus.*

We have also disclosed below (i) the Material Approvals applied for, including renewal applications made, but not received; (ii) the Material Approvals which have expired and renewal yet to be applied for; and (iii) the Material Approvals which are required but not obtained or applied for, to the extent applicable.

For further details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 138.

1. Approvals in relation to the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page 295.

2. Material Approvals in relation to the business operations of our Company and our Material Subsidiary, as applicable

1. Certificates for use of boiler issued by the Directorate of Boilers, Government of West Bengal, under the Indian Boilers Act, 1923;

2. Consents and authorizations issued by the West Bengal Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, including consent to establish (NOC), consent to operate and authorization for management and handling of hazardous and other waste;

3. Licences issued by the Petroleum and Explosives Safety Organization under the Petroleum Rules, 2002 for storage of petroleum in tank(s);

4. Environment clearances issued by the Ministry of Environment, Forest and Climate Change, Government of India, under the EIA Notification, 2006;

5. Licence to work a factory issued by the Directorate of Factories under the Factories Act, 1948 and certificate of enlistment in the category of manufacturer in the iron and steel industry issued by the relevant municipal corporation and gram panchayat as applicable;

6. Licences issued by the Office of the Controller of Legal Metrology under the Legal Metrology Act, 2009 for verifying weighing scale equipment;

7. Licences issued by the local panchayat samitys in relation to the registration for trade of special nature; and

8. Permissions for extraction of ground water issued by District Level Ground Water Resources Development Authority under the West Bengal Ground Water Resources (Management, Control and Regulation) Act, 2005.

3. Certain other Material Approvals, as applicable

1. Certificates of incorporation issued by the RoC under the Companies Act, 1956. For details of certificates of incorporation, see "*History and Certain Corporate Matters*" and "*Our Subsidiaries*" beginning on pages 140 and 144;

2. PAN, TAN, GST registrations issued by respective tax authorities under relevant tax statutes; and

3. Certificate of Importer Exporter Code issued by the Ministry of Commerce, Government of India to our Company.

4. Other approvals

In addition to the above, we have also obtained registrations under various employee, labour and shops and establishments related laws, including the Contract Labour (Regulation and Abolition) Act, 1970, Employees'

Provident Fund and Miscellaneous Provisions Act, 1952, West Bengal Shops and Establishments Act, 1963, as applicable.

5. Material Approvals applied for, including renewal applications made, but not received

1. Application for renewal of licence to work a factory under the Factories Act, 1948 dated January 1, 2019 filed with the Government of West Bengal; and

2. Application for consent to operate for enhancement of capacity of SMS unit dated November 29, 2018 with the West Bengal Pollution Control Board.

In addition to the above, renewal applications for certain other approvals, including, trade licences have been made to the relevant municipal authorities in relation to certain of our branch offices. Further, applications for shops and establishments registrations in relation to certain of our branch offices are yet to be made.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has approved the Issue pursuant to the resolution passed on September 29, 2018 and our Shareholders have approved the Issue pursuant to a special resolution passed on September 29, 2018.

The Offer for Sale has been authorized by the Selling Shareholders as follows:

S. No.	Name of Selling Shareholder	Maximum number of Equity Shares being offered in the Offer for Sale	Authorization, through consent letter dated
1.	Shyam Sunder Beriwala	2,669,000	May 29, 2019
2.	Shri Ram Beriwala	1,867,600	May 29, 2019
3.	Manish Beriwala	277,400	May 29, 2019
4.	Bina Beriwala	233,500	May 29, 2019
5.	Jyoti Beriwal	233,500	May 29, 2019
6.	Purushottam Beriwala	233,400	May 29, 2019
7.	Govind Beriwal	233,400	May 29, 2019
8.	Lalit Beriwala	138,700	May 29, 2019
9.	Ravi Beriwala	138,700	May 29, 2019
10.	Brijesh Beriwala	138,700	May 29, 2019
11.	Manjulata Beriwala	138,700	May 29, 2019
12.	Vineeta Beriwala	138,700	May 29, 2019
13.	Anju Beriwala	138,700	May 29, 2019
14.	Puspa Devi Beriwala	90,000	May 29, 2019

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters (including any persons in control of our Company), our Directors, the members of our Promoter Group and each of the Selling Shareholders, are not prohibited from accessing capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court.

Our Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital markets by SEBI.

None of our Directors are associated with securities market in any manner.

Our Promoters and our Directors have not been declared as Fugitive Economic Offenders.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended ("**SBO Rules**"). Our Promoters, members of the Promoter Group and the Selling Shareholders are in compliance with the SBO Rules to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Declaration as Wilful Defaulter

Neither our Company, nor our Promoters or our Directors have been identified as Wilful Defaulters.

Eligibility for the Issue

Our Company confirms that it is not ineligible to make the Issue in terms of the SEBI ICDR Regulations, to the extent applicable. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

The Selling Shareholders have, severally and not jointly, confirmed that they have held the respective portion of Offered Shares for a period of at least one year prior to the date of this Draft Red Herring Prospectus and that they are in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information:

1. Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

2. Our Company has a pre-tax operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

3. Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

4. Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2018, 2017 and 2016 are set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	March 31, 2018	March 31, 2017 (Proforma)	March 31, 2016 (Proforma)
Net tangible assets, as restated(i)	6,139.63	5,112.61	4,897.10
Monetary assets, as restated(ii)	155.91	199.51	172.28
Monetary assets(ii), as restated as a % of net tangible assets(i), as restated(v)	2.54%	3.90%	3.52%
Pre-tax operating profit, as restated(iii)	1,660.02	802.34	450.26
Net worth, as restated(iv)	5,332.92	4,056.91	3,770.13

Notes:

(i) Restated 'Net Tangible Assets' are defined as sum of total assets of our Company excluding deferred tax assets (net) and intangible assets as defined in Ind AS 38 'Intangible Assets' deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities (net), each on a restated and consolidated basis;

(ii) Restated 'Monetary Assets' include cash and cash equivalents, other bank balances including non-current portion of fixed deposits with banks and interest accrued thereon, each on a restated and consolidated basis;

(iii) Restated 'Pre-tax operating profit', has been calculated as a restated profit before tax excluding exceptional items, finance costs and other income, each on a restated and consolidated basis;

(iv) Restated 'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, each on a restated and consolidated basis; and

(v) 'Monetary Assets as restated as a percentage of the net tangible assets' means restated monetary assets divided by restated net tangible assets, expressed as a percentage.

Our Company has pre-tax operating profits in each of Fiscal 2018, 2017 and 2016 in terms of our Restated Consolidated Financial Information. Further, our Company is in compliance with the conditions specified in the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, IIFL HOLDINGS LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY EACH OF THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 31, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.shyamsteel.com or the respective websites of our Subsidiaries, Promoter Group or Group Companies and affiliates, would be doing so at his or her own risk.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the Book Running Lead Managers to the investors and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in West Bengal only.

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act, 1933, as amended ("U.S. Securities Act") or any state securities laws of the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

1. Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

2. Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members that it did not purchase the Equity Shares as result of any "directed selling efforts" (as defined in Regulation S).

3. Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

4. Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

5. Represents and warrant to our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

6. Agree to indemnify and hold the Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

7. Acknowledge that our Company, the Selling Shareholders, the Book Running Lead Managers, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and the Selling Shareholders will be liable to reimburse our Company for such repayment of monies, on their behalf, with respect to the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to interest on such refunds will be reimbursed by the Selling Shareholders in proportion to the Offered Shares. For the avoidance of doubt, subject to applicable law, the Selling Shareholders shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to the Selling Shareholders and to the extent of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/Issue Closing Date. Further, the Selling Shareholders confirms that they shall provide assistance to our Company, and the Book Running Lead Managers, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/Issue Closing Date, to the extent of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Except for listing fees which shall be solely borne by our Company, all Issue expenses will be shared, upon successful completion of the Issue, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholders in the Offer for Sale. However, in the event that the Issue is withdrawn by our Company or not completed for any reason whatsoever, all the Issue related expenses will be solely borne by our Company. Any payments by our Company in relation to the Issue expenses on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to our Company inclusive of taxes.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditor, Singhi & Co. statutory auditor of SSML, legal advisors, Bankers to our Company, the Book Running Lead Managers, the Registrar to the Issue, CRISIL Research and independent chartered accountant have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s), Refund Bank(s), Monitoring Agency and Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Experts to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, B.S.R. & Co. LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the report dated May 27, 2019 on the Restated Consolidated Financial Information, and the statement of special tax benefits for our Company dated May 29, 2019 included in this Draft Red Herring Prospectus. Our Company has also received written consent from the Singhi & Co., Chartered Accountants holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of statement of special tax benefits for SSML, material subsidiary of our Company in accordance with the SEBI Listing Regulations, dated May 30, 2019 included in this Draft Red Herring Prospectus.

Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Capital issue during the previous three years by our Company

Except as disclosed in "*Capital Structure – Notes to the capital structure*" beginning on page 59, our Company has not made any capital issue during the previous three years.

Price information of past issues handled by the Book Running Lead Managers

1. Axis

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (` millions)	Issue price(`)	Listing date	Opening price on listing date (in `)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Polycab India Limited	13,452.60	538.00^	16-Apr-19	633.00	+15.36%, [-5.35%]	-	-
2	Chalet Hotels Limited	16,411.80	280.00	07-Feb-19	294.00	+1.14%, [-0.31%]	+24.41%, [+3.87%]	-
3	Ircon International Limited	4,667.03	475.00*	28-Sep-18	412.00	-27.04%, [-8.24%]	-6.60%, [-1.84%]	-15.71%, [+5.06%]
4	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	+57.43%, [+1.17%]	+30.61%, [-7.32%]	+23.78%,[-4.33%]
5	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+18.09%, [+5.17%]	+15.95%,[+4.92%]	-4.20%, [+7.04%]
6	Hindustan Aeronautics Limited	41,131.33	1,215.00[!]	28-Mar-18	1,152.00	-6.96%, [+4.98%]	-25.84%, [+6.41%]	-25.45%, [+10.18%]
7	Bandhan Bank Limited	44,730.19	375.00	27-Mar-18	499.00	+31.81%, [3.79%]	+42.96%, [+6.26%]	+51.89%, [+9.42%]
8	Aster DM Healthcare Limited	9801.00	190.00	26-Feb-18	183.00	-13.66%, [-3.77%]	-4.97%, [+0.21%]	-8.16%, [+9.21%]
9	Khadim India Limited	5,430.57	750.00	14-Nov-17	730.00	-10.40%,[+0.06%]	-6.70%, [+2.63%]	+8.77%, [+6.09%]
10	The New India Assurance Company Limited	18,933.96	800.00[$]	13-Nov-17	750.00	-27.91%,[+0.15%]	-12.93%, [+2.25%]	-13.06%, [+5.69%]

Source: www.nseindia.com
** Offer Price was 465.00 per equity share to Retail Individual Bidders and Eligible Employees*
[$]Offer Price was ` 770.00 per equity share to Retail Individual Bidders and Eligible Employees
! Offer Price was `1,190.00 per equity share to Retail Individual Bidders and Eligible Employees
^Offer Price was ` 485.00 per equity share to Eligible Employees
Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY is considered as the Benchmark Index.
c. Price on NSE is considered for all of the above calculations.
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (` in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019-2020*	1	13,452.60	-	-	-	-	-	1	-	-	-	-	-	-
2018-2019	4	54,206.94	-	1	-	1	-	2	-	-	2	-	-	1
2017-2018	18	492,662.22	-	1	9	1	3	4	-	2	7	4	2	3

** The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. ***Edelweiss***

Price information of past issues handled by Edelweiss:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Polycab India Limited	13,452.6	538.00	April 16, 2019	633.00	15.36% [-5.35%]	Not Applicable	Not Applicable
2	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	-19.32% [1.76%]	2.42% [3.67%]	38.82% [12.74%]
3	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	35.20% [2.56%]	50.21% [1.90%]
4	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	-44.39% [7.92%]
5	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68% [7.66%]
6	Amber Enterprises India Limited	6,000.00	859.00^^^	January 30, 2018	1,175.00	27.15% [-5.04%]	24.98% [-3.23%]	10.58% [2.07%]
7	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.91% [-1.86%]	-5.20% [4.13%]
8	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.17% [3.37%]	-11.51% [0.75%]	-28.51% [4.93%]
9	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	31.52% [0.48%]	48.93% [2.11%]	74.66% [5.04%]
10	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	5.91% [2.95%]	-4.21% [1.59%]

Source: www.nseindia.com

^^^ *Amber Enterprises India Limited - employee discount of ₹ 85 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹ 859 per equity share*

Notes

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4. *The Nifty 50 index is considered as the benchmark index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

Summary statement of Disclosure

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	1	13,452.6	-	-	-	-	-	1	-	-	-	-	-	-
2018-19	3	57,206.02	-	1	1	-	-	1	-	1	-	1	1	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3

The information is as on the date of the document

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

* *For the financial year 2019-20 – 1 issues have been completed. 1 issues have completed 30 days.*

3. IIFL

Price information of past issues handled by IIFL:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
2.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
3.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
4.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
5.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
6.	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	-46.2%, [+7.5%]
7.	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	-13.9%, [-1.4%]	NA
8.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+52.9%, [+1.0%]	+30.6%, [-7.1%]	+23.8%, [-4.1%]
9.	Credit Access Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.2%, [-3.7%]	-12.4%, [-8.4%]	-7.2%, [-8.4%]
10.	Polycab India Limited	13,452.60	538.00	April 18, 2019	633.00	10.7%, [-3.2%]	NA	NA

Source: www.nseindia.com

**Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.*

Summary statement of price information of past issues handled by IIFL:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	4	94,015.43	-	1	1	1	-	1	-	2	1	-	-	1
2019 – 20	1	13,452.60	-	-	1	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered. NA means Not Applicable.

4. *SBICAP*

Price information of past issues handled by SBICAP:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Ircon International Limited [4]	4667.03	475	September 28, 2018	412.00	-27.04%[+8.24%]	-6.60% [-1.84]	-15.71%[+5.06%]
2	RITES Limited [5]	4604.40	185	July 02, 2018	190.00	34.97% [+6.56%]	33.03% [+2.56%]	49.70% [+1.90%]
3	ICICI Securities Ltd	35148.49	520	April 04, 2018	435.00	-27.93% [+5.44%]	-37.26% [+5.22%]	-44.39% [+7.92%]
4	Mishra Dhatu Nigam Limited [6]	4328.96	90	April 04, 2018	87.00	67.89% [+5.44]	40.44% [+5.22%]	29.50% [+7.92%]
5	Hindustan Aeronautics Ltd [7]	41131.33	1,215	March 28, 2018	1,152.00	-6.96% [+4.98%]	-25.84% [+6.41%]	-25.45%[+10.18%]
6	Bharat Dynamics Limited [8]	9527.88	428	March 23, 2018	370.00	-2.90% [+5.66%]	-9.78% [+7.74%]	-19.60%[+12.81%]
7	H. G. Infra Engineering Limited	4620.00	270	March 9, 2018	270.00	19.19% [+1.02%]	8.35% [+4.48%]	-12.81%[+12.65%]
8	Amber Enterprises India Limited [9]	5995.99	859	January 30, 2018	1,175.00	27.15% [-5.04%]	24.98% [-3.23%]	6.73% [+2.07%]
9	Reliance Nippon Life Asset Management Limited	15422.40	252	November 06, 2017	295.90	3.61% [-3.19%]	5.91% [+2.95%]	-4.21% [+1.59%]
10	SBI Life Insurance Company Limited [10]	83864.00	700	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [+6.81%]	-3.11% [+2.58 %]

Source: www.nseindia.com

Notes:

** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
** The Nifty 50 index is considered as the Benchmark Index*
** The number of Issues in Table-1 is restricted to 10*

4. Retail Discount and Employee Discount of ` 10 per Equity Share to the Offer Price

5. Retail Discount and Employee Discount of `6 per Equity Share to the Offer Price

6. Retail Discount and Employee Discount of `3 per Equity Share to the Offer Price

7. *Retail Discount and Employee Discount of `25 per Equity Share to the Offer Price*

8. *Retail Discount and Employee Discount of `10 per Equity Share to the Offer Price*

9. *Employee Discount of `85 per Equity Share to the Offer Price*

10. *Employee Discount of `68 per Equity Share to the Offer Price*

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	2	9,271.43	-	1	-		1	-	-	-	-	-	1	1
2017-18	12	2,03,995.12	-	-	5	2	2	3	-	3	3	1	3	2
2016-17	7	1,29,691.00	-	-	3	1	1	2	-	1	1	2	2	1

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1.	Axis	www.axiscapital.co.in
2.	Edelweiss	www.edelweissfin.com
3.	IIFL	www.iiflcap.com
4.	SBICAP	www.sbicaps.com

Redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Issue to the Book Running Lead Managers.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, as amended in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on pages 157-158.

Our Company has also appointed Prashant Damani, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see "*General Information – Company Secretary and Compliance Officer*" on page 52.

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. The Selling Shareholders have authorised the Compliance Officer for the Issue and the Registrar to the Issue to redress any complaints received from Bidders in respect of the Offer for Sale.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA read with SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Issue.

The Equity Shares being Allotted pursuant to the Issue shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" beginning on page 328.

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on pages 170 and 328, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of West Bengal, where our registered office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

The Issue

The Issue comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

Expenses for the Issue shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Issue - Issue Expenses*" on pages 78-79.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of Articles of Association*" beginning on page 328.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

(1) Agreement dated April 27, 2019 amongst NSDL, our Company and the Registrar to the Issue; and

(2) Agreement dated April 26, 2019 amongst CDSL, our Company and the Registrar to the Issue.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [•] Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 and the rules made thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

(i) to register himself or herself as the holder of the Equity Shares; or

(ii) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and the Selling Shareholders reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of Offered Shares, after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Managers, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RIB's using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection

Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

* *Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

** *Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation of Selling Shareholders, as may be required in respect of their respective Offered Shares, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable support and co-operation required by our Company and the Book Running Lead Managers for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Issue Closing Date or such other period as may be prescribed by SEBI.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids and any revision in Bids will be accepted only during Monday to Friday (excluding any public/ bank holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Issue; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15 % per annum.

In case of under-subscription in the Fresh Issue, Equity Shares offered pursuant to the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. The Selling Shareholders shall, severally and not jointly, reimburse, in proportion to their respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that no Selling Shareholders shall be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, minimum Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 59 and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares and on their consolidation/splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" beginning on page 328.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,000 million by our Company and an Offer for Sale of up to 6,670,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.

The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹10 each.

The Issue is being made through the Book Building Process.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*[2]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not more than 50% of the Issue size shall be allocated to QIB Bidders. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available to QIBs.	Not less than 15% of the Issue	Not less than 35% of the Issue
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Issue Procedure*" beginning on page 316.
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[(4)]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(3)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Issue*

(1) *Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors.*

(2) *Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.*

(3) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(4) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categorises at the discretion of our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the applicable laws (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Pursuant to the SEBI circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, the General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Our Company, the Selling Shareholders and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, our Company and the Book Running Lead Managers do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which at least one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and Selling Shareholders in consultation with the Book Running Lead Managers and the Designated Stock Exchange and subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of RIBs using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO subject to applicable laws.

Phased implementation of UPI for Bids by RIBs

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, updated pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 (collectively, the "**UPI Circular**") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

a) **Phase I:** This phase has become applicable from January 1, 2019 and will continue for a period of six months i.e. until June 30, 2019. Under this phase, a RIB would also have the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

b) **Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a RIB through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI Mechanism.

For further details, refer to the General Information Document.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either, (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form, and the ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

* *Excluding electronic Bid cum Application Forms*

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For RIBs using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Participation by Promoters and Promoter Group of our Company, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/ Promoter Group/ Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associates of the Lead Managers can apply in the Issue under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs other than Category III sponsored by the entities which are associate of the Book Running Lead Managers.

Further, persons related to our Promoters and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the board of the issuer.

Further, for the purposes of the above, an Anchor Investor shall be deemed to be an associate of the Book Running Lead Managers if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investor and the Book running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

As of the date of this Draft Red Herring Prospectus, the existing individual investment limit for a single FPI is 10% of the paid up capital of our Company and the existing aggregate investment limit of FPIs in our Company is 24% of the paid up capital of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI date January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

1. offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of their respective corpus in one investee company. A category III AIF cannot invest more than 10% of its corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor. Our Company, the Selling Shareholders or the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a timebound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time. The investment limit for systemically important non-banking financial companies shall be as prescribed by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be attached with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than RIBs bidding using the UPI Mechanism);

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respects;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

17. Ensure that the category and the investor status is indicated;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

21. In case of ASBA Bidders (other than RIBs using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

22. Anchor Investors should submit the Anchor Investor Application Forms to the Book Running Lead Managers; and

23. Once the Sponsor Bank issues the UPI Mandate Request, the RIBs would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request.

Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. If you are RIB and are using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

11. If you are RIB and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date;

21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;

22. Do not Bid for shares more than specified by respective Stock Exchanges for each category;

23. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus; and

25. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are RIB and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions or any other condition mentioned in the Red Herring Prospectus, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer and the Registrar to the Issue. For details of our Company Secretary and Compliance Officer and the Registrar to the Issue, see "*General Information*" beginning on page 52.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

1. In case of resident Anchor Investors: "[●]"

2. In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper and (iii) [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of Kolkata, where our registered office is located) each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

1. Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price which shall be a date prior to the filing of Prospectus.

2. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

(b) ***makes or abets making of multiple applications to a company in different names or in different combination of his name or surname for acquiring or subscribing for its securities; or***

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."***

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 2.00 million or with both.

Undertakings by our Company

Our Company undertakes the following:

1. adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and to consider them similar to Anchor Investors while finalising the Basis of Allotment;

2. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

3. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with the Book Running Lead Managers within such period as may be prescribed under applicable law;

4. if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

5. the funds required for making refunds (to the extent applicable) to unsuccessful as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

6. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

7. compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

8. Promoters' contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and

9. except for any allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under the ESOP scheme, if any, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Equity Shares offered by it in the Offer for Sale that:

1. the Equity Shares offered for sale by the Selling Shareholders in the Issue are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations;

2. the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Issue are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;

3. that it shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of their respective portion of the Offered Shares;

4. they shall deposit their Equity Shares offered for sale in the Issue in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

5. that they shall provide such reasonable assistance to our Company and the Book Running Lead Managers in redressal of such investor grievances that pertain to the Equity Shares held by them and being offered pursuant to the Issue and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;

6. they shall provide such reasonable cooperation to our Company in relation to their respective portion of the Equity Shares offered by it in the Offer for Sale, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges and/ or (b) refund orders (if applicable); and

7. they shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Issue Price, will be taken by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers.

Only the statements and undertakings in relation to the Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are specifically "confirmed" or "undertaken" by the Selling Shareholders in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by the Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Issue Proceeds

Our Board certifies that:

1. all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;

2. details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

3. details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested. Our Company and each of the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-Section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board (the "**FIPB**"). Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the "**DIPP**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Presently, our Company does not have any FPI or NRI investments.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

For further details, see "*Issue Procedure*" beginning on page 316.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Share Capital

Article 4 provides that, "The Authorised Share Capital of the Company shall be the Capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the legislative provisions and the Act for the time being in force."

Article 5 provides that, "Subject to provisions of the Act, the Company may:

a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

The increase in Capital of the Company may be by the creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force."

Article 6 provides that, "The Company may, by special resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:

a) its share capital; and/or

b) any capital redemption reserve account; and/or

c) any securities premium account."

Article 8 provides that, "Subject to the provisions of Section 55 of the Act and other Applicable Law, the Company shall have the power to issue preference shares, either at premium or at par which are or at the option of the Company from time to time, on the terms that they are redeemable within 20 years, except for preference shares issued for infrastructure project in accordance with the provisions of the Act, and such other terms as may be decided at the time of the issue. Further,

a) Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;

b) The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;

c) The Board may decide on any premium on the issue or redemption of preference shares in accordance with the provisions of the Act."

Article 11 provides that, "Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time,

a) consolidate and divide its Shares into shares of a larger amount than the existing Shares, or any class of them, and

b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any Share is subdivided, or classified, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

Subject as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act."

Article 13 provides that, "The Company may increase its subscribed capital by allotment of further shares subject to the provisions of the Act and applicable law. However, where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further shares, then:

a) Such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.

b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before opening of the issue;

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in 13(b) thereof shall contain a statement of this right.

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner, which is not disadvantageous to the shareholders of the Company."

Article 14 provides that, "Notwithstanding anything contained in the Article no. 13 the further shares aforesaid maybe offered in any manner whatsoever in accordance with the provisions of the Act, to:

a) employees under a scheme of employees' stock option scheme, if authorized by a Special Resolution passed by the Company and subject to such conditions, as may be prescribed;

b) to any persons if it is authorized by a Special resolution passed by the Company, whether or not those persons include the persons referred to in Article no. 13 and Article no. 14, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, as per the applicable provision and subject to such conditions as may be prescribed."

Article 17 provides that, "Subject to the provisions of these Articles, and of Section 62 of the Act, the shares and Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par, or subject to compliance with Section 53 of the Act, at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid or partly paid up shares, as the case may be. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. "

Article 21 provides that, "The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Share Certificates

Article 28 provides that, "The shares certificates shall under the seal, if any, and shall be numbered progressively according to their several denominations specify the number and distinctive number of shares to which it relates. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form."

Article 29 provides that, “Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of Shares shall be issued under the common seal, if any, of the Company or signed by two Directors or by a Director and the Company Secretary, and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.”

Article 31 provides that, “A person subscribing to shares offered by the Company shall have the option either to hold such shares in physical form and receive certificates for such shares or to hold the shares in a dematerialised state with a depository in accordance to the applicable law. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.”

Article 32 provides that, “The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company except for delivery of certificates of debenture allotted, which shall be within a period of six months from the date of allotment.”

Underwriting

Article 34 provides that, “Subject to the provisions of Section 40(6) of the Act, as amended from time to time and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 and the terms of issue of the shares or debentures or any other Security, the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or any other security/ies of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act, the prescribed rules made thereunder or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or debentures or partly in one way and partly in the other.”

Call on Shares

Article 35 provides that, “The Board of Directors may, from time to time and subject to the terms on which shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively(whether on account of the nominal value of the Shares or by way of premium), and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be revoked or postponed at the discretion of the Board.”

Article 37 provides that, “Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.”

Article 40 provides that, “If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board of Directors may determine.

Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 45 provides that, “The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.”

Lien

Article 46 provides that, “The Company shall have a first and paramount lien upon all the shares / Debentures / Securities (other than fully paid-up shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/Debentures/Securities and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such Shares / debentures. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares / Debentures / Securities."

Article 49 provides that, "No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such member or his representatives by reason of his death or insolvency, and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice."

Article 50 provides that, "The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale."

Forfeiture of Share

Article 52 provides that, "If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Article 55 provides that, "When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid."

Article 58 provides that, "A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares."

Article 60 provides that, "The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified."

Employees Stock Options

Article 61 provides that, "Subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws, in accordance with Section 62 of the Act, as amended from time to time, the Company may issue options to any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both. Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees."

Sweat Equity Shares

Article 62 provides that, "Subject to and in compliance with Section 54 and other Applicable Law, the Company may from time to time, by special resolution, issue Sweat Equity Shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called."

Preferential Allotment

Article 63 provides that, "Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a general meeting, the Company may issue shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and the Applicable law."

Transfer and Transmission of Shares

Article 68 provides that, "Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the

Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).”

Article 84 provides that, “All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.”

Article 86 provides that, “A nominee on becoming entitled to shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.”

Article 88 provides that, “No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.”

Article 90 provides that, “Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.”

Article 91 provides that, “For the purpose of the registration of a transfer, the certificate or certificates of the Share or shares to be transferred must be delivered to the Company along with (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.”

Dematerialisation of Securities

Article 96 provides that, “The Board shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder, as amended from time to time. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.”

Article 97 provides that, “Every holder of or subscriber to Securities of the Company shall have the option to receive security certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.”

Article 102 provides that, “Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.”

General Meetings

Article 115 provides that, “the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year in accordance with the applicable provisions of the Act. Further, subject to the provisions of the Act, not more than 15 (fifteen) months gap shall elapse between the date of one Annual General Meeting and that of the next.”

Article 117 provides that, “All general meetings other than annual general meeting shall be called extraordinary general meeting.”

Article 118 provides that, “In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:

a) the consideration of financial statements and the reports of the Board of Directors and Auditors;

b) the declaration of any Dividend;

c) the appointment of Directors in place of those retiring;

d) the appointment of, and the fixing of the remuneration of, the Auditors.”

Article 120 provides that, “Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any members/ class of members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.”

Article 126 provides that, "At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company."

Article 127 provides that, "An Annual General Meeting may be called at a shorter notice if consented to by either by way of writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such meeting. In the case of any other general meeting, by members of the company—

a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or

b) having, if the company has no share capital, not less than ninety-five per cent. of the total voting power exercisable at that meeting."

Voting rights

Article 141 provides that, "Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

a) on a show of hands, every member present in person shall have one vote; and

b) on a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.

c) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act, as amended and shall vote only once."

Article 145 provides that, "No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid."

Article 148 provides that, "Subject to the provisions of the Act, any member of the Company entitled, to attend and vote at a meeting of the Company, shall be entitled to appoint another person (whether a member or not) as his proxy."

Article 151 provides that, "Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act."

Article 160 provides that, "Where a resolution will be passed by Postal ballot the Company shall, in addition to the requirements of giving requisite clear days notice, send to all the Members the following:

a) Draft resolution and relevant explanatory statement clearly explaining the reasons therefor.

b) Postal ballot for giving assent or dissent, in writing by Members; and

c) Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of the notice."

Board of Directors

Article 167 provides that, "The number of Directors of the Company which shall be not less than 3 (three) and not more than 15 (fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution. Further, any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly and such appointment shall be in such terms and conditions as laid down by Board, as permitted by Applicable Law. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall

a) be entitled to transact business for the purpose of attaining the required composition of the Board; and

b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime."

Article 168 provides that, "The first Directors of the Company are:

a) Shyam Sunder Beriwala b) Purushottam Beriwala c) Lalit Beriwala.”

Article 169 provides that, “Subject to the provisions of Section 149, Section 152 and Section 161 of the Act and applicable laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.”

Article 178 provides that, “Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the databank established under Section 150 of Act or otherwise.”

Article 181 provides that, “Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.”

Article 184 provides that, “An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.”

Article 185 provides that, “The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.”

Article 186 provides that, “Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term 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 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.”

Article 187 provides that, “At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called “the Rotational Directors”).”

Article 191 provides that, “Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company. The resigning director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be prescribed in accordance with the provisions of the Act.”

Article 195 provides that, “Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a Directors’ and Officers’ Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.”

Article 201 provides that, “The office of a Director shall ipso facto be vacated:

a) on the happening of any of the events as specified in Section 167 of the Act.

b) if a person is a Director of more than the number of Companies as specified in the Act at a time;

c) in the case of alternate Director, on return of the original Director in terms of

Section 161 of the Act;

d) having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;

e) if he is removed in pursuance of Section 169 of the Act;

f) any other disqualification that the Act for the time being in force may prescribe.”

Article 214 provides that, "A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means."

Article 216 provides that, "The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit."

Article 230 provides that, "The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide."

Article 255 provides that, "Board of Directors should exercise the following powers subject to the approval of Company by a Special Resolution:

a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

c) to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital, free-reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

d) to remit, or give time for the repayment of, any debt due from a Director."

Article 258 provides that, "Company shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances. Audit Committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the Director nominated to play the role of Audit Committee, as the case may be, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the Audit Committee may take suitable action against the concerned Director or employee including reprimand."

Dividends and Reserve

Article 268 provides that, "The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the shares held by them respectively."

Article 269 provides that, "The Company in general meeting may declare dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company."

Article 270 provides that, "The Dividend can be declared and paid only out of the following profits;

a) Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II and Applicable Laws.

b) Accumulated profits of the earlier years, after providing for depreciation u/s 123(2) read with Schedule II and Applicable Laws.

c) Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

d) If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123(2) of the Act or Applicable Law, or against both."

Article 273 provides that, "Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company."

Article 283 provides that, "If the Company has declared a Dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent to the shareholder entitled to received such dividend within 30 (thirty) days from the date of declaration, transfer the total amount if dividend, which remained unpaid or unclaimed or in respect of which no dividend warrant has been posted, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the company in that behalf in any scheduled bank to be called the "Unpaid Dividend of Shyam Steel Industries Limited."

Winding Up

Article 311 provides that, "Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder—

a) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide among the Members in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

    i. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

    ii. If the Company shall be wound up; and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that; as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up the excess be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid-up on the shares held by them respectively. But this Article is to, be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

    iii. If thought expedient, any such division, may subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preference or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby, shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to the provisions of the Act and applicable law.

    iv. A special Resolution sanctioning a sale to any other company duly passed pursuant to the provisions of the Act and applicable law may in like manner

as aforesaid determine that any shares or other consideration receivable by the Liquidators be distributed amongst the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the applicable law."

Indemnity

Article 314 provides that, "Every Director, Manager, Officer or (with the consent of the Directors) Auditors of the Company shall be indemnified out of assets of the Company against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgment is given in his or their favour or in which he or they are acquitted or in connection with any application under Section 463 of the Act in which relief is given to him or them by the Court."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office between 10 A.M. and 5 P.M. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated May 31, 2019, between our Company, the Selling Shareholders, and the Book Running Lead Managers.

2. Registrar Agreement dated May 30, 2019, between our Company, the Selling Shareholders and the Registrar to the Issue.

3. Cash Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Issue, the Book Running Lead Managers, the Syndicate Members and the Bankers to the Issue.

4. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

7. Monitoring Agency Agreement dated [●] between our Company and [●].

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated March 8, 2002 and fresh certificate of incorporation consequent on change in name dated December 18, 2003.

3. Certificate of commencement of business dated March 22, 2002.

4. Resolution passed by our Board in relation to the Issue and other related matters dated September 29, 2018.

5. Resolution passed by our Shareholders in relation to the Issue and other related matters dated September 29, 2018.

6. Agreements entered into with the Whole-time Directors of our Company, namely Purushottam Beriwala, Govind Beriwal, Lalit Beriwala, Ravi Beriwala, Manish Beriwala and Deepak Chowdhary, each dated April 1, 2019.

7. The examination report of the Statutory Auditor dated May 27, 2019 in relation to our Restated Consolidated Financial Information.

8. The Statement of special tax benefits for our Company dated May 29, 2019, from the Statutory Auditor.

9. The Statement of special tax benefits for SSML, material subsidiary of our Company in accordance with the SEBI Listing Regulations, dated May 30, 2019, from Singhi & Co., statutory auditor of SSML.

10. Consent dated May 31, 2019, from the Statutory Auditor namely, B S R &Co. LLP, to include their name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Information, dated May 27, 2019 and the statement of special tax benefits for our Company dated May 29, 2019, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

11. Consent dated May 29, 2019, from Singhi & Co., statutory auditor of SSML, to include their name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the statement of special tax benefits for SSML, material subsidiary of our Company in accordance with the SEBI Listing Regulations, dated May 30, 2019, included in this Draft Red Herring Prospectus and such consent has not been

withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U. S. Securities Act.

12. Letters of consent from our Directors, Selling Shareholders, our Company Secretary and Compliance Officer, Chief Financial Officer, Legal Counsel to our Company, Legal Counsel to the Book Running Lead Managers, the Book Running Lead Managers, Bankers to the Issue, Syndicate Members, Monitoring Agency, the Underwriters, Share Escrow Agent, Escrow Collection Bank, Sponsor Bank, Refund Bank, Bankers to our Company and the Registrar to the Issue, as referred to in their specific capacities.

13. Report titled “Market Assessment for Indian Steel Industry (TMT Bars)” issued by CRISIL dated May, 2019 and consent letter dated May 22, 2019 issued by CRISIL in respect of such report.

14. Due diligence certificate dated May 31, 2019 addressed to SEBI from the Book Running Lead Managers.

15. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

16. Tripartite agreement dated April 27, 2019 between our Company, NSDL and the Registrar to the Issue.

17. Tripartite agreement dated April 26, 2019 between our Company, CDSL and the Registrar to the Issue.

18. SEBI observation letter no. [●], dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other applicable laws.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

________________________	**Purushottam Beriwala** (*Whole-time Director*)
________________________	**Govind Beriwal** (*Whole-time Director*)
________________________	**Lalit Beriwala** (*Whole-time Director*)
________________________	**Ravi Beriwala** (*Whole-time Director*)
________________________	**Brijesh Beriwala** (*Non-Executive Director*)
________________________	**Manish Beriwala** (*Whole-time Director*)
________________________	**Deepak Chowdhary** (*Whole-time Director*)
________________________	**Santinath Sarkar** (*Independent Director*)
________________________	**Rajni Mishra** (*Independent Director*)
________________________	**Hanuman Mal Choraria** (*Additional Independent Director*)
________________________	**Joginder Pal Dua** (*Additional Independent Director*)
________________________	**Shounak Mitra** (*Additional Independent Director*)
________________________	**Uday Kumar Chatterjee** (*Additional Independent Director*)
________________________	**Vikram Swarup** (*Additional Independent Director*)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Nikunj Beriwal
(*Chief Financial Officer*)

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Shri Ram Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Shyam Sunder Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Puspa Devi Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Purushottam Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Govind Beriwal**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Lalit Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

Name: **Ravi Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Brijesh Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Issue and the Offered Shares, are true and correct.

Name: **Bina Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Issue and the Offered Shares, are true and correct.

Name: **Jyoti Beriwal**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Manjulata Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Vineeta Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Issue and the Offered Shares, are true and correct.

Name: **Anju Beriwala**

Date: May 31, 2019

Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made or confirmed by the undersigned Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Issue and the Offered Shares, are true and correct.

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Name: **Manish Beriwala**

Date: May 31, 2019

Place: Kolkata