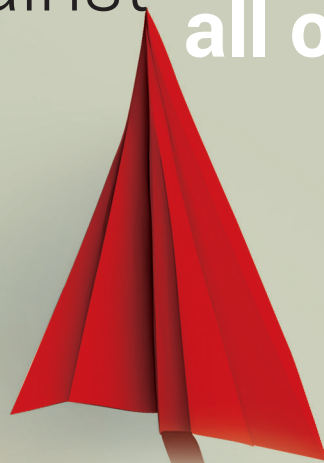


thriving against all odds



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Investor Information

Market Capitalisation as of
31st March, 2023: ₹ 367.03 Crore

CIN: L27310ML2011PLC008578

NSE Code: SHYAMCENT

BSE Code: 539252

Bloomberg Code: SCFL: IN

AGM Date: 28th September, 2023 at
02:00 P.M

AGM Venue: Video conference and
other audio- visual means ('VC')

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Disclaimer: This document contains statements about expected future events and financials of Shyam Century Ferrous Limited (the Company), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Scan this QR code to navigate
investor-related information.



An electronic version of this report is available online at:
<https://shyamcenturyferrous.com/investors/annual-report.php>

thriving against all odds

Shyam Century Ferrous Limited (the Company) embodies the fusion of resilience, agility and optimism even in the face of difficult times. With unprecedented challenges hurled its way during the past year, the Company stands its ground, emerging stronger with unmatched endurance. Amid economic uncertainty and global socio-political unrest that tested organisations across all industries, your Company has proved its worth, outperforming many industry peers amid sectoral headwinds.

As the Company surges ahead, the synergy of its dedicated team's collective efforts and prudent choices empowers it to conquer adversity, and set sail towards a promising future. Overcoming the challenges that loomed large during the year, Shyam Century Ferrous Limited not only survives, rather finds ways to thrive through quick adaptation, perseverance, and commitment to excellence.

Throughout its journey, the Company has demonstrated an impressive grit that stems from the very foundations of its culture. Even in unfavourable circumstances, the Company has managed to maintain production stability, highlighting its ability to hold the fort during volatile business environments. As an ode to this indomitable spirit, this annual report celebrates a year of overcoming challenges and thriving against all odds, seizing new opportunities for growth.



Message from the Managing Director's Desk

Dear Shareholders,

I am pleased to present this year's annual report, which outlines our Company's journey through a challenging yet transformative year. We faced several obstacles that tested our resilience and adaptability, but we also seized opportunities that propelled us forward.

Macroeconomic View

The Indian economy has stood its ground amid global inflationary headwinds in FY 22-23. As per the National Statistical Office, India registered an impressive 7.2% GDP growth rate in FY 22-23 despite turbulent international conditions, marked by geopolitical tensions and supply chain disruptions. This further strengthens the country's position as one of the world's fastest-growing major economies, emerging as a bright spot with its economic performance at a time when many countries around the world are struggling with high inflation and sluggish growth. The steady expansion of the Indian economy underscores its strong fundamentals and policy actions that have provided stability during global volatility.

Fortitude in the Face of Challenges

During the year, we encountered significant challenges that put our fortitude and resourcefulness to test. The primary hurdle came in the form of power scarcity from the state grid, causing considerable difficulties in sustaining and operating at an optimal level. This scarcity originated from the state's power deficiency, severely constraining our ability to support our operations adequately.

Moreover, the need to set up a new incoming power transformer for the third furnace added further complexity to our infrastructure setup, compounding the challenges we faced. In addition to that over supply by China in International market also affected price and demand. Despite these obstacles, our team's relentless efforts and strategic decision-making enabled us to navigate these testing times and position our Company for future growth.

As the Covid-19 pandemic gradually subsided globally, the initial surge in steel demand moderated as infrastructure projects adjusted to a post-Covid-19 pandemic environment. With inflation rising across major economies, central banks increased interest rates to curb high inflation. This, in turn, led to an increase in the cost of borrowing for infrastructure projects. Since steel demand is primarily driven by infrastructure development, the higher borrowing costs resulted in some moderation from the strong post-reopening demand. Recognising this shift, we implemented adjustments to our steel business strategy, aligning operations to the changing on-ground realities.

Seizing Opportunities and Delivering Excellence

Overcoming the challenges that beset us during the year demanded a concerted and innovative approach. By optimising power utilisation and exploring alternative sources, we mitigated the impact of power scarcity. Simultaneously, we streamlined the new transformer setup, enhancing infrastructure efficiency. Monitoring market dynamics enabled us to navigate volatile commodity prices with timely material decisions, outperforming competitors. Our dedicated team's collective efforts and prudent choices empowered us to triumph over adversity, positioning us for a promising future.

Financial Performance

We have recorded revenue from operations at ₹ 1,809.88 Mn in FY 22-23, which was ₹ 2,073.64 Mn in FY 21-22. Net profits and net profit margin stood at ₹ 266.38 Mn and 14.72% as opposed to ₹ 568.64 Mn and 27.42%, respectively in FY 21-22. Despite there being a decline in the results, we have successfully managed to maintain production stability, highlighting our Company's resilience even during challenging business environments. Moreover, we continue to be on a sound financial footing and have even outperformed many industry peers amid ferro alloys headwinds. Our endurance and seize-the-moment agility have further strengthened our position. By leveraging our expertise and capitalising on India's economic optimism, we are poised for a promising future and ready to embrace emerging opportunities. We are committed to sustaining our journey through prudent analysis and pointed decision-making, with our financials underscoring the need of consistently evaluating business scenarios to make astute decisions that propel our Company forward.

Conclusion

I express my heartfelt gratitude to all our employees, whose firm dedication has been instrumental in building a strong and adaptable organisation. Additionally, I am deeply thankful to our valued stakeholders for their unrelenting support over the years, and I am optimistic about their continued backing as we embark on our journey to elevate our Company to new and greater accomplishments.

With warm regards,

Aditya Vimalkumar Agrawal
Managing Director



**DESPITE THESE
OBSTACLES, OUR
TEAM'S RELENTLESS
EFFORTS AND
STRATEGIC DECISION-
MAKING ENABLED
US TO NAVIGATE
THESE TESTING TIMES
AND POSITION OUR
COMPANY FOR FUTURE
GROWTH.**



Corporate Information

CIN : L27310ML2011PLC008578

BOARD OF DIRECTORS

Mr. Aditya Vimalkumar Agrawal
Managing Director

Mr. Sumanta Kumar Patra
Whole-Time Director & CEO
(w.e.f. 17th May, 2022)

Mr. Rajesh Kumar Agarwal
Director

Mr. Pramod Kumar Shah
Independent Director

Mr. Nirmalya Bhattacharyya
Independent Director

Mrs. Plistina Dkhar
Independent Director

AUDITORS

M/s. D.K.Chhajer & Co.
Chartered Accountants
Nilhat House,
11, R. N. Mukherjee Road,
Kolkata - 700 001

CHIEF EXECUTIVE OFFICER

Mr. Sumanta Kumar Patra

CHIEF FINANCIAL OFFICER

Mr. Uday Bahadur Chetri

COMPANY SECRETARY

Mrs. Ritu Agarwal
(w.e.f. 27th May, 2022)

Mrs. Neha Agarwal
(upto 26th May, 2022)

REGISTERED OFFICE

VIII: Lumshnong, P.O: Khaliehriat
Dist: East Jaintia Hills
Meghalaya – 793210

WORKS

Ferro Alloys & Power Plant
EPIP, RajaBagan,
Byrnihat Ri-Bhoi,
Meghalaya - 793 101

CORPORATE OFFICE

Century House, 2nd Floor,
P 15/1, Taratala Main Road,
CPT Colony, Taratala,
Kolkata - 700 088

Phone : +91-33 24015555

Email : investors@shyamcenturyferrous.com

Website : www.shyamcenturyferrous.com

REGISTRARS & SHARE TRANSFER AGENTS

Maheswari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor,
Kolkata - 700001

BANKERS

HDFC Bank Ltd.

DIRECTORS' REPORT & MANAGEMENT DISCUSSION ANALYSIS

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2023 and the Statement of Profit & Loss for the year ended on that date.

FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company for the financial year ended 31st March, 2023 as compared to the previous financial year are as under:-

(₹ in Lakhs)

Particulars	FY 22-23	FY 21-22*
Total Income	18,819.23	21,250.46
Profit before Depreciation, Interest and Tax and exceptional item	4,036.29	7,910.52
Depreciation Amortization Expenses	335.30	209.12
Finance Cost	34.58	63.19
Exceptional items	-	-
Profit Before Tax	3,666.41	7,638.21
Tax Expenses:		
- Current Tax	1012.77	1,812.53
- Income Tax for earlier years	0.85	1.45
- Deferred Tax	(10.98)	137.81
Profit for the period	2,663.77	5,686.42
Other comprehensive income for the period, net of tax	(0.91)	1.68
Total comprehensive income for the period	2,662.86	5,688.10

* Previous year's figures were rearranged and regrouped wherever necessary.

FERRO ALLOYS BUSINESS - INDUSTRY AT A GLANCE

With the increase in domestic steel demand, India continues to be a major producer of steel. During the calendar year 2022 India produced 124.5 mn tons of crude steel and 117.8 mn tons of finished steel.

At present, crude steel capacity in India is 154 mn tons per annum. The Indian steel sector roughly contributes around 2% to India's GDP.

Indian steel industry faced various challenges during the year 2022. In view of Russian Ukraine war, price of coking coal increased abruptly therefore, for meeting the requirements the Indian producers' imported coal from Australia, Indonesia, Canada and South Africa etc., which has led to increase of cost of production. Moreover, Government had imposed export duty on steel which had adversely affected export of steel, however Govt. of India removed the export duty on steel in end of 2022, which gave a deep sigh of relief to the exporter.

Policy of the Govt. of India helping the steel industry. The Govt. of India introduced various projects and schemes to give impetus to the steel industry like 'Production linked Scheme'.

In view of Government's budget allocation for infrastructure development it is expected that during the Financial Year 2023-24 there will be robust domestic demand growth of around 7%. Construction, real estate and automobile sectors are major contributor for the steel industry.

Ferro alloys are alloys of iron that contain a high percentage of one or more other elements, such as manganese, chromium, or silicon. It has uses in stainless steel production, cast iron production and as additives in the production of other alloys. Stainless steel contains a high proportion of chromium, which is an important ingredient in ferro alloys.

Global ferro alloys market is looking very optimistic and is expected to register a CAGR of 5.2% during 2022-2025. China has the largest market in ferro alloys and accounting for over 35%. Other major markets in the region include India, Japan, South Korea, and Taiwan.

The Financial Year 2022-23 was a year of mixed opinions and performances for the domestic steel industry. Russia-Ukraine war definitely affected global steel industry. The global steel prices slashed down which affected domestic prices also and on the other hand, there was a high rise of input materials.

Country has identified new reserves for coking coal which will help the manufacturers to reduce import of coal and thus will reduce production cost.

India continues for its economic recovery which is looking optimistic about the future despite a challenging year. Another factor driving market growth is the increasing use of ferro alloys in non-steel applications. Overall, the future outlook for the global ferro alloys market is positive. The

DIRECTORS' REPORT & MANAGEMENT DISCUSSION ANALYSIS (Contd.)

market is expected to grow steadily in the coming years, driven by increasing demand from various industries.

During the year under review, your Company has sold 14,981 MT. of Ferro Silicon as against 14,546 MT. recorded in previous year. Your Company produced 14,967 MT. of Ferro Silicon during the year under review as against 14,955 MT. recorded in the Financial Year 2021-22. During the year there was an instance of furnace breakdown for a limited period of time for which the production was affected, however in the fourth quarter the production increased considerably due to functionality of the 3rd furnace. While your Company constantly strives to increase stakeholder's value, emphasis continues to be on delivering value to customers and strengthening processes while driving sustainable practices, resulting into expanding customer base.

POWER BUSINESS

During the year under review, your Company focused on purchasing power from MPDCL, therefore has not generated any power like previous year.

OPPORTUNITIES & THREATS, RISKS AND CONCERNS

Ferro silicon market depends on demand from steel and stainless steel market. Continuous support from the Government by way of introducing various policies like National Steel Policy, 'Make in India' and other budgetary support for development of infrastructure sectors helped the ferro alloys industry to grow.

Performance of the Company depends on the continued demand of our products in the steel and stainless-steel industry. Ferro Silicon market in India is subdued for quite a period of time. Highest consumption of Ferro Silicon seen in Stainless Steel Sector followed by Mild Steel Sector. Government's various initiatives to liberalise industrial policy, approval of National Steel policy and policy on 'Make in India' and other infrastructural initiatives taken are expected to push the demand of ferro silicon.

Challenges being faced by the domestic companies due to short availability of raw materials and very high-power cost, lack of infrastructural facilities for easy transportation of raw materials to the location affects the sector. Policy of the Government, regulatory changes and force majeure events may also affect the development of domestic industry.

Despite all threats, Indian Ferro alloys industry has tremendous growth prospect due to low per capital steel production, rapid industrialisation, urbanisation, infrastructural development, thriving automobile and railway sectors and other Government initiatives. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

PERFORMANCE AND OPERATIONS REVIEW

During the year under review, on a full year basis, the Company has posted total revenue of ₹ 18,819.23 Lakhs and Profit before Tax of ₹ 3,666.41 Lakhs in Financial Year 22-23 as against ₹ 21,250.46 Lakhs and ₹ 7,638.21 Lakhs respectively during the previous financial year. Your Company produced 14,967 MT. of Ferro Silicon during the year under review as against 14,955 MT recorded in the Financial Year 2021-22.

BUY-BACK OF SHARES

During the year under review your Company has bought back 1,00,00,000 Equity Shares of ₹ 1 each from all the existing shareholders/ beneficial owners of the Company as on record date i.e., 27th September, 2022 on a proportionate basis through tender offer route at a price of ₹ 28 each for an aggregate amount of ₹ 28,00,00,000 (Rupees Twenty Eight Crore only). The payments have been made to all the eligible shareholders on 17th November, 2022, subsequently the bought back shares have been extinguished resulting in reduction of paid up share capital to ₹ 21,21,72,990 divided into 21,21,72,990 equity shares of ₹ 1 each.

In accordance with Section 69 of the Companies Act, 2013, during the year ended 31st March, 2023, the Company has created a Capital Redemption Reserve of ₹ 1,00,00,000 equal to the nominal value of Shares bought back as an appropriation from General Reserves.

SHARE CAPITAL

The paid-up Equity Capital as on 31st March, 2023 was ₹ 21,21,72,990 divided into 21,21,72,990 equity shares of ₹ 1 each. Consequent upon bought back of 1,00,00,000 Equity Shares of ₹ 1 each, the paid up Equity Share Capital of the Company has been reduced during the Financial year ended 31st March, 2023 to that extent. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

In accordance with Section 69 of the Companies Act, 2013, during the year ended 31st March, 2023, the Company has created a Capital Redemption Reserve of ₹ 1,00,00,000 equal to the nominal value of Shares bought back as an appropriation from General Reserves.

SHARES IN SUSPENSE ACCOUNT

Disclosures of the shares lying in Company's Unclaimed Shares Suspense Account are given in the Report of Corporate Governance.

ANNUAL RETURN

In terms of requirement of section 134 (3) (a) read with Section 92(3) of the Companies Act, 2013 and the rules made thereunder, the Annual return of the Company has been placed on the Company's website and can be accessed at

DIRECTORS' REPORT & MANAGEMENT DISCUSSION ANALYSIS (Contd.)

the web link: <https://shyamcenturyferrous.com/investors/annual-return.php>

MEETINGS OF THE BOARD

During the year, Five (5) Board Meetings and Five (5) Audit Committee meetings were convened and held on 17th May, 2022, 02nd August, 2022, 11th August, 2022, 14th November, 2022 and 03rd February, 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meeting are provided in the Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, meeting of Independent Directors was held on 17th March, 2023 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also, inter alia, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

COMMITTEES OF THE BOARD

The composition and terms of reference of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Finance Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee and Nomination and Remuneration Committee.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has formed a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimisation of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to at the Company's website at the <http://shyamcenturyferrous.com/php/policies.php?pdf=Whistle-Blower-Policy.pdf>.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial

Personnel and Senior Management Employees. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholders' interests, industry standards and relevant Indian corporate regulations. The details on the same are given in the Corporate Governance Report. The said policy may be referred to at the Company's website at the web link: <http://shyamcenturyferrous.com/php/policies.php?pdf=Remuneration-policy.pdf>.

CODE OF CONDUCT

With intent to enhance integrity, ethics & transparency in governance of the Company your Company had adopted a Code of Conduct for Directors and Senior Management Personnel. The Code has been displayed on the Company's website at <http://shyamcenturyferrous.com/php/policies.php?pdf=Code-of-Conduct-for-Senior-Management.pdf>.

COMPLIANCE WITH THE SECRETARIAL STANDARD AND INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards (Ind AS) referred to in section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on going concern basis.

DIRECTORS' REPORT & MANAGEMENT DISCUSSION ANALYSIS (Contd.)

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

AUDITORS & AUDITORS' REPORT

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration Number: 304138E) Statutory Auditors of the Company, have been appointed by the members at the Tenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 30th September, 2021.

The Statutory Auditors' Report "with an unmodified opinion", given by M/s. D K Chhajer & Co., on the Financial Statements of the Company for the Financial Year ended 31st March, 2023, is appended in the Financial Statements forming part of this Annual Report.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number: 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2023 in the Board Meeting held on 17th May, 2022. The remuneration proposed to be paid to them for the Financial Year 2022-23, as recommended by audit committee, was ratified in the meeting of shareholders held on 27th September, 2022.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064), as the Cost Auditors of the Company for the Financial Year 2023-24 under section 148 of the Companies Act, 2013. M/s. B. G. Chowdhury & Co. have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. B. G. Chowdhury & Co., Cost Auditors for the Financial Year 2023-24 is included in the Notice convening the Annual General Meeting.

The cost audit report for the Financial Year 2021-22 was filed with the Ministry of Corporate Affairs on 31st August, 2022.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates (Firm Registration Number:- P2010WB042700), a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith marked **Annexure-1**. The report is self-explanatory and do not call for any further comments.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not made any investment or provided guarantee or security in connection with a loan to any person exceeding the limit specified in Section 186 of the Companies Act, 2013. Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, there were no material contract or arrangement entered into by the Company with related parties as referred to in Section 188. Therefore, disclosure in Form AOC-2 is not applicable. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.