The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

Preliminary Placement Document
Subject to Completion
Not for circulation and strictly confidential
Serial Number: [●]

LLOYDS METALS AND ENERGY LIMITED

Lloyds Metals and Energy Limited ("**Company**") was incorporated as Nagarjuna Metals and Engineers Private Limited on April 5, 1977, at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956 and was granted the certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). The name of our Company was changed to Nagarjuna Metals and Engineers Limited pursuant to a fresh certificate of incorporation consequent upon the conversion of the Company into a public limited company, issued by the RoC on September 9, 1986. Subsequently, the name of our Company was changed to Lloyds Metals and Engineers Limited pursuant to a fresh certificate of incorporation consequent upon change of name issued by the RoC on January 5, 1990. Further, the name of our Company name was changed to Lloyds Metals and Energy Limited pursuant to a fresh certificate of incorporation consequent upon change of name issued by the RoC on April 25, 2011.

Corporate Identity Number: L40300MH1977PLC019594
Registered Office: Plot No A 1-2, MIDC Area Ghugus, Chandrapur – 442 505, Maharashtra, India
Corporate Office: A-2, 2nd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India
Telephone: +91 6291 8111 | **Email**: investor@lloyds.in | **Website:** www.lloyds.in
Company Secretary and Compliance Officer: Trushali Shah

The Company is issuing up to [●] equity shares of face value of ₹1 (the "**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] crore (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 33.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT").

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, AS AMENDED, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 42 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on July 3, 2024 were ₹ 738.90 and ₹ 738.60 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE, each dated July 4, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. A copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" beginning on page 203. This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see *"Selling Restrictions"* on page 217. See *"Transfer Restrictions and Purchaser Representations"* on page 228 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the websites of our Company or any other website directly or indirectly linked to the websites of our Company or the website of the Book Running Lead Manager (as defined hereinafter) or its respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated July 4, 2024.

BOOK RUNNING LEAD MANAGER
JM FINANCIAL LIMITED

TABLE OF CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries, and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company and its Subsidiaries, and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries, and the Equity Shares are honestly held, have been arrived at after considering all relevant circumstances and are based on reasonable assumptions and information presently available with our Company. There are no other facts in relation to our Company and its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

JM Financial Limited (the "**Book Running Lead Manager**") has made reasonable enquiries but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Manager, nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue of the Equity Shares or their distribution.

Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on any of the Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and with reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. See "*Selling Restrictions*" on page 217 for information about eligible offerees for the Issue and "*Transfer Restrictions and Purchaser Representations*" on page 228 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Manager or its representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see "*Selling Restrictions*" on page 217.

In making an investment decision, the prospective investors must rely on their own examination of our Company and its Subsidiaries and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities including the Equity Shares or otherwise accessing the capital markets in India.

Each subscriber of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information pertaining to our Company and the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Preliminary Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Our Company does not undertake to update this Preliminary Placement Document to reflect subsequent events after the date of this Preliminary Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with our Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Company since the date hereof.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, that may occur after the date of this Preliminary Placement Document. The information on our Company's website, https://www.lloyds.in/, any website directly and indirectly linked to the website of our Company or on the website of SEBI or the Stock Exchanges or on the respective websites of the Book Running Lead Manager and of its affiliates, other than this Preliminary Placement Document shall not constitute nor form part of this Preliminary Placement Document and no investment decision should be made on the basis of such information. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 217 and 228, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding (hereinafter defined) and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy (as defined hereinafter), read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules;

6. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

7. You acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis;

8. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

9. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. For further details in this regard, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 217 and 228, respectively;

10. You are aware that this Preliminary Placement Document has not been, and the Placement Document will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public

or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed (and the Placement Document) shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

11. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honor such obligations;

12. Neither our Company, the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

13. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward looking statements contained in this Preliminary Placement Document;

14. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Manager;

15. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 217 and 228, respectively;

16. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 42;

17. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, its Subsidiaries and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

18. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees,

counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

19. You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

20. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

21. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent any Promoter or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

22. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoter);

23. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

24. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

25. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no

assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

26. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

27. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

28. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

29. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

30. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

31. You are aware and understand that the Book Running Lead Manager have entered into a Placement Agreement with our Company, whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

32. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or our Company or any other person and neither the Book Running Lead Manager nor our Company or any of its affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Manager and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

33. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and other distributions declared;

34. Neither the Book Running Lead Manager nor any of its affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

35. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

36. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

37. You confirm that either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that our Company or its agents may have made at such company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager has advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

38. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act.

39. You are outside the United States and are purchasing the Equity Shares in an ‘offshore transaction’ within the meaning of Regulation S and in compliance with laws of all jurisdictions applicable to you and are not our Company’s or the Book Running Lead Manager’s affiliate or a person acting on behalf of such an affiliate;

40. You are not acquiring or subscribing for the Equity Shares as a result of any “general solicitation” or “general advertising” (as those terms are defined in Regulation D under the U.S. Securities Act) or “directed selling efforts” (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 217 and 228, respectively;

41. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Manager and its affiliates and its directors, officers, employees and controlling persons 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 the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

42. Our Company, the Book Running Lead Manager, its affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager on their own behalf and on behalf of our Company, and are irrevocable;

43. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

44. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations;

45. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

46. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules; and

47. Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLM, which is registered as a Category I FPI, 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 in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section entitled "*Issue Procedure*" on page 203. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLM who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in Equity Shares issued pursuant to this the Issue, references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to Lloyds Metals and Energy Limited and references to 'we', 'us' or 'our' are to our Company together with our Subsidiaries on consolidated basis, unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, and States of the United States and the District of Columbia. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Other than the section titled "*Financial Statements*" beginning on page 250, the figures in this Preliminary Placement Document have been presented in crore or in whole numbers where the numbers have been too small to present in crore unless stated otherwise.

Where any figure that may have been sourced from third-party industry sources are expressed in denominations other than crore, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in their respective sources.

In this Preliminary Placement Document, references to "Lakhs" or "Lacs" represents "100,000", "million" represents "10 lakh" or "1,000,000", "Crore" represents "10,000,000" or "10 million" or "100 lakhs", and "billion" represents "1,000,000,000" or "1,000 million" or "100 Crore".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

Financial Data and Other Information

Our Company reports its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year'. 'Fiscal' or 'Fiscal Year' or 'FY', are to the twelve-month period ended on March 31 and references to a particular 'year' are to the calendar year ending on December 31 of the year.

As required under applicable regulations, and for the convenience of prospective investors, we have included the following financial information in this Preliminary Placement Document:

- The audited consolidated financial statements of our Company and our Subsidiaries as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**");

The Audited Consolidated Financial Statements as of and for the financial years ended March 31, 2024 and March 31, 2023 have been audited by our Statutory Auditors, on which they have issued audit reports dated May 2, 2024 and April 25, 2023, respectively. The Audited Consolidated Financial Statements as of and for the financial years ended March 31, 2022 have been audited by our previous statutory auditors VSS and Associates, Chartered Accountants, on which they have issued audit report dated April 29, 2022. The Audited Consolidated Financial Statements should be read with the respective audit reports. For details, please see the section titled "*Financial Statement"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 250 and 83, respectively.

The Audited Consolidated Financial Statements should be read along with the respective audit reports thereon. Except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information as at and for Fiscals 2024, 2023, 2022 included in this Preliminary Placement Document have been derived from the Audited Consolidated Financial Statements.

Our Company has prepared its Audited Consolidated Financial Statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**") and the reconciliation of the financial information to other accounting principles has not been provided. Our Company does not attempt to explain those differences or quantify their impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the Audited Consolidated Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective Indian accounting policies and practices and principles, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document*" on page 63 of this Preliminary Placement Document.

The information on our Company's website shall not form a part of this Preliminary Placement Document.

Non-GAAP financial measures

We have included certain non-GAAP financial measures elating to our operations and financial performance (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") including EBITDA, Operational EBITDA as well as certain other metrics based on or derived from those Non-GAAP Financial Measures in this Preliminary Placement Document. These Non-GAAP Financial are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the businesses, many of which provided such Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" and "*Risk Factors*" beginning on pages 250 and 42, of this Preliminary Placement Document, respectively.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Assessment and outlook on India's iron and steel industry*" dated June 2024 (the "**CRISIL Report**"), which is a report commissioned and paid for by our Company and prepared and issued by CRISIL pursuant to an engagement letter dated April 11, 2024 in connection with the Issue.

The Company Commissioned CRISIL Report contains the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), 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). Forecasts, estimates and other forward-looking statements contained in this Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. 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. 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. Lloyds Metals and Energy Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in its regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced/extracted in any form without CRISIL's prior written approval.*"

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company nor the Book Running Lead Manager have independently verified this market and industry data, nor our Company or the Book Running Lead Manager make any representation regarding the correctness, accuracy and completeness of such data. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors –"Risk Factors –Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 56 of this Preliminary Placement Document.

Further, the calculation of certain statistical and/or financial information / ratios specified in "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Company Commissioned CRISIL Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by and independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important risk factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

1. All of our mining operations and manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Maharashtra or any disruption in production at, or shutdown of, our mining operations or our Manufacturing Facilities could have material adverse effect on our business and financial condition.
2. We are significantly dependent on the extraction of iron ore from the Surjagarh Mining Complex for our revenue and operations. Any interruption in the operations at the Surjagarh Mining Complex could have a material adverse effect on our results of operations and financial condition.
3. Our statements of mineral reserves are subject to estimations, and if the actual amounts of such reserves are less than estimated, our results of operations and financial condition may be adversely affected.
4. Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability us to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.
5. We may not be successful in implementing our strategies.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 42, 169, 113 and 83, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. 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.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLM nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All our Directors, Key Managerial Personnel and member of the senior management named in this Preliminary Placement Document, are residents of India and a significant portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;
2. where the judgment has not been given on the merits of the case;
3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
4. where the proceedings in which the judgment was obtained were opposed to natural justice;
5. where the judgment has been obtained by fraud; and
6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

The following territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government: the United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and United Arab Emirates. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our

Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and other foreign currencies, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

Period	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal Ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.06	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended^:				
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.29	83.49	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.97	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85

Source: www.fbil.org.in

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

Note:

- *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" beginning on pages 83, 233, 238 and 250, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
Company/ our Company/ the Company/ the Issuer/ LMEL	Lloyds Metals and Energy Limited, a company incorporated under the Companies Act, 1956, having its registered office Plot No A 1-2, MIDC Area Ghugus, Chandrapur – 442 505, Maharashtra, India
We/ us/ our	Unless the context otherwise indicates or implies, refers to our Company our Subsidiaries, on a consolidated basis

Company related terms

Term	Description
Articles/ Articles of Association/ AoA	Articles / Articles of Association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 185 of this Preliminary Placement Document
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of our Company and its Subsidiaries, as of and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, which have been prepared in accordance with the Ind AS, as specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the consolidated balance sheet, consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the years then ended, and notes to the respective consolidated financial statements
Auditor/ Statutory Auditor	Statutory auditors of our Company, namely, M/s Todarwal and Todarwal LLP, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof as disclosed in "*Board of Directors and Senior Management*" on page 185 of this Preliminary Placement Document
Chairman and Non-Executive Director	The chairman and non-executive director of our Company, being Mukesh Rajnarayan Gupta
Chief Financial Officer / CFO	The chief financial officer of our Company, being Riyaz Ahmed Shaikh
Company Secretary and Compliance Officer	The company secretary and the compliance officer of our Company, being Trushali Shah
Committee of Board of Directors	The committee of our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 185 of this Preliminary

Term	Description
	Placement Document
Corporate Office	The Corporate office of our Company, situated at A-2, 2nd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Lower Parel, Mumbai - 400013, Maharashtra , India
CRISIL	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
CRISIL Report	The report titled "*Assessment and outlook on India's iron and steel industry*" dated June 2024, commissioned and paid for by our Company and prepared and issued by CRISIL
CSR Committee	The corporate social responsibility committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 191 of this Preliminary Placement Document
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time.
Equity Shareholder	A holder of Equity Shares
Equity Shares	Equity shares of face value of ₹1 each of our Company.
ESOP Scheme 2017	The employee stock option plan of our Company titled "Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017", as amended
Executive Directors	Executive directors of our Company
Independent Director(s)	The independent director(s) of our Company, unless otherwise specified
Key Managerial Personnel	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel"* beginning on page 190
Managing Director(s)	Rajesh Rajnarayan Gupta and Balasubramanian Prabhakaran
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Preliminary Placement Document
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of the Directors as disclosed in the section titled "*Board of Directors and Senior Management*" on page 185 of this Preliminary Placement Document
Non-executive Directors	Non-executive Directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" on page 185 of this Preliminary Placement Document
OFCDs	Optionally fully convertible debentures
Preference Shares	Preference shares of face value ₹ 10 each of our Company
Promoters	The promoters of our Company, namely: (i) Mukesh Rajnarayan Gupta; (ii) Rajesh Rajnarayan Gupta; (iii) Balasubramanian Prabhakaran; (iv) Madhur Rajesh Gupta; (v) Ravi Agarwal; (vi) Shreekrishna Gupta; (vii) Abha Gupta; (viii) Renu Gupta; (ix) Dipti Akhil Mundhra; (x) Priyanka Gupta; (xi) Babulal Agarwal; (xii) Thriveni Earthmovers Private Limited;

Term	Description
	(xiii) Lloyds Enterprises Limited; (xiv) Sky United LLP; (xv) Lloyds Metals and Minerals Trading LLP; (xvi) Blossom Trade and Interchange LLP; (xvii) Plutus Trade and Commodities LLP; (xviii) Teamwork Properties Developments LLP; and (xix) Crosslink Food and Farms Private Limited
Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations
Registered Office	The registered office of our Company located at Plot No A 1-2, MIDC Area Ghugus, Chandrapur - 442505, Maharashtra, India,
Risk Management Committee	The Risk Management Committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 191 of this Preliminary Placement Document
Senior Management Personnel/ SMP(s)	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management – Senior Management of our Company*" beginning on page 190 of this Preliminary Placement Document
Shareholders/ Equity Shareholders	The Equity Shareholders of our Company, from time to time
Stakeholder Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 191 of this Preliminary Placement Document
Subsidiaries	The subsidiaries of our Company, namely: (i) Lloyds Infinite Foundation; (ii) Lloyds Surya Private Limited; and (iii) Lloyds Logistics Private Limited
Vice-Chairman and Non-Executive Director	The vice-chairman and non-executive director of our Company, being Babulal Agarwal

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company following the determination of the Issue Price to the Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to this Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in this Issue on submission of the Application Form
Bid(s)	An indication of interest by a Bidder, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	An Eligible QIB who has a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Manager/ BRLM / Lead Manager	JM Financial Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to Eligible QIBs confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price

Term	Description
Closing Date	The date on which the Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [•], 2024.
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later.
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, that are eligible to participate in this Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in this Issue under applicable law. Further, FVCIs are not permitted to participate in the Issue.
Escrow Agent/ Escrow Bank	ICICI Bank Limited
Escrow Account	The account titled "LLOYDS METALS AND ENGERY LIMITED QIP ESCROW ACCOUNT" opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Application Amount in connection with subscription to Equity Shares pursuant to this Issue shall be deposited by the Bidders and from which refunds, if any, shall be remitted, as set out in the Application Form.
Escrow Agreement	Agreement dated July 4, 2024 entered into amongst our Company, the Escrow Agent and the BRLM for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.
ESOP	Employee Stock Option Plan
Floor Price	The floor price of ₹ 732.08 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed by way of postal ballot on April 27, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of the Equity Shares to the Eligible QIOBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of the Application Forms and the Application Amount
Issue Opening Date	July 4, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which the Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share
Issue Size	₹[•] crore
Listing Agreement(s)	The agreement entered into by our Company with each of the Stock Exchanges in relation to Equity Shares listed on each of the Stock Exchanges
Monitoring Agency	India Ratings and Research Private Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated July 4, 2024 entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses

Term	Description
	of the Issue
Placement Agreement	Agreement dated July 4, 2024 entered into amongst our Company and the Book Running Lead Manager
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder
Preliminary Placement Document	This preliminary placement document dated July 4, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and the rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part, of the Application Amount submitted by such Bidder pursuant to the Issue.
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts.
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	July 4, 2024, which is the date of the meeting in which our Committee of Board of Directors decided to open the Issue
SI-NBFC	Systemically important non-banking financial companies
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable

Business, technical and Industry Related Terms

Term	Description
Average cost of Power from Captive Power Plant	Average cost of Power from Captive Power Plant = Total cost of power from all Captive Power Plants/Total production units
DRI	Direct reduced iron
EBITDA	EBITDA = Profit/(loss) before tax + finance costs + depreciation and amortization expense
Ghugus Manufacturing Plant	Our sponge iron manufacturing plant and captive power plant located at Ghugus, Maharashtra.
Gross Debt to EBITDA	Gross Debt to EBITDA = Gross Debt/EBITDA Gross Debt = long term borrowings + short term borrowings + current maturities of long term borrowing
Gross Debt to Equity	Gross Debt to Equity = Gross Debt/ Total Equity Gross Debt = long term borrowings + short term borrowings + current maturities of long term borrowings Total Equity = Equity Share capital + other equity
IBM	Indian Bureau of Mines

Interest Coverage	Interest coverage = Operating EBIT/Finance cost EBIT = Profit/(loss) before tax + interest – Other Income
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Konsari Manufacturing Plant	Our sponge iron manufacturing plant located and captive power plant located at Konsari, Maharashtra.
Kwh	Kilowatt hour
MIDC	Maharashtra Industrial Development Corporation
MTPA	Million tonnes per annum
MVA	Mega Volt Ampere
MW	Mega watt
Operational EBITDA	Operational EBITDA = Profit/(loss) before tax + finance costs + depreciation and amortization expense – Other income
RoCE	RoCE (Return on Capital Employed) = Operating EBIT/Total capital employed Operating EBIT = Profit/(loss) before tax + interest cost – Other Income Total capital employed = Total assets – current liabilities*
Surjagarh Mining Complex	Our iron ore mining complex located over an area of 348.09 Ha. at Surjagarh Village, Maharashtra
TPA	Tonnes per annum
TPD	Tonnes per day
TPH	Tonnes per heat

Conventional and General Terms/Abbreviations

Terms	Description
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act/ Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate social responsibility.
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository Participant Identification Number
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary General Meeting
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with the rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
Financial Year /Fiscal Year / Fiscal / FY	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors, as defined under the SEBI FPI Regulations and includes a person who has been registered 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, as amended
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
General Meeting	AGM or EGM or Postal Ballot
GoI / Government	Government of India
GST	Goods and services tax
HNI	High net-worth individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards, as notified by the MCA pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Accounting Standards as notified under Section 133 of the Companies

Terms	Description
	Act read with the Companies (Accounts) Rules, 2014
Income Tax Act/IT Act	The Income-tax Act, 1961
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./ NA	Not Applicable
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
NR/ Non-resident	A person resident outside India, as defined under the FEMA
Non-Resident Indian(s) / NRI	An individual resident outside India who is citizen of India
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
PBT	Profit before tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RoC or Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai
SCR (SECC) Regulations	The Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity), Regulations 2021.
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
USA or U.S. or United States	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31.

SUMMARY OF BUSINESS

Overview

We are one of the largest iron ore miner by volume in India (*Source: CRISIL Report*) with a permitted extraction capacity of 10 million tonne per annum ("**MTPA**"), as of March 31, 2024. We are also one of the top five merchant miner in India (*Source: CRISIL Report*). Our Company has been granted the iron ore mining rights over an area of 348.09 Ha. at Surjagarh Village, Maharashtra ("**Surjagarh Mining Complex**"), with a lease period of 50 years which is valid till 2057. As on March 31, 2024, the Surjagarh Mining Complex has resources (proved and probable) of 157 million tonne of hematite ore and 706 million tonne of banded hematite quartz (*Source: CRISIL Report*). Our iron ore reserves are processed in both lump ore and fine ore.

The Surjagarh Mining Complex was allocated to us by the Government of Maharashtra through a mining lease in the year 2007. Being an allocated mine, our Company is not required to pay any additional premium to the Government of Maharashtra during the period of the lease. Further, the mine is strategically located at the centre of India, which provides us access to several steel plants in India, enabling us to efficiently cater to client needs nationwide.

We also manufacture sponge iron, catering to the metallic requirements of steel producers in select geographies in India through our two sponge iron manufacturing plants located at Ghugus, Maharashtra and Konsari, Maharashtra. At our sponge iron manufacturing facilities, we operate seven rotary kilns having an aggregate annual installed capacity of 0.34 MTPA as of March 31, 2024. The strategic location of our sponge iron manufacturing facility and proximity to our Surjagarh Mining Complex aids our access to quality iron ore, which is one of the primary raw materials for sponge iron manufacturing. We believe our continued focus on enhancing productivity, resource optimization, and yield maximization have enabled us to achieve high levels of capacity utilization in the sponge iron manufacturing business. Accordingly, the aggregate sponge iron capacity utilization at our sponge iron manufacturing facilities for Fiscals 2022, 2023 and 2024 was 43.34%, 75.62% and 85.90%, respectively. Our Company has also entered into arrangements for trading of iron pellets.

To support the power requirements of our sponge iron manufacturing facilities, we have set-up two captive power plants with a combined capacity of 34 MW, as of March 31, 2024, that generate power utilizing the waste heat emanating from our kilns during the sponge iron manufacturing process as well as coal waste generated. Our captive power plants can operate on dual fuels, enabling us to utilise 'green' fuels such as, waste, rejects, heat and gas generated from our operations to produce electricity thereby lowing our power costs. This source of 'green' power through waste heat recovery boilers ("**WHRBs**") enables us to reduce our dependence on thermal power generated through additional fossil fuel, which helps control our carbon emissions. In Fiscals 2022, 2023 and 2024, power units produced from our captive power plants accounted for 58.03%, 69.93% and 77.71%, respectively, of our total power units consumed. Any surplus power generated from our plants, is sold by us, serving an additional source of revenue.

Set forth below are our revenue from operations from each of our product segments for Fiscals 2024, 2023 and 2022:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	(₹ in crore)		
Sponge Iron	827.48	748.99	445.41
Mining	5,283.19	2,651.10	237.97
Power	117.82	66.68	43.87
Trading of Pellet	346.08	-	-
Total	**6,574.57**	**3,466.77**	**727.25**

We are also in the process of: (i) augmenting our mining extraction capacity to 55 MTPA (including banded hematite quartz) from 10 MTPA, as of March 31, 2024; (ii) increasing the capacities of our existing sponge iron manufacturing plant at Ghugus, Maharashtra to 0.70 MTPA from 0.34 MTPA, as of March 31, 2024; and (iii) increasing the capacities of our captive power plants to 504 MW from 34 MW as of March 31, 2024 pursuant to the expansion of the sponge iron manufacturing plant at Ghugus, Maharashtra; (iv) setting-up a pellet plant and a grinding and pumping unit at our Konsari Manufacturing Plant; (v) laying down a 85 km long slurry pipeline from Hedri, Maharashtra to Konsari, Maharashtra and 190 km long slurry pipeline from Hedri, Maharashtra to Ghugus, Maharashtra; (vi) setting up an 1.2 MTPA wire rod unit at Ghugus, Maharashtra; (vii) setting up an integrated 3 MTPA steel plant at Konsari, Maharashtra; and (viii) setting up a beneficiation plant of 45 MTPA Hedri, Maharashtra. Our expansion activities will provide us forward integration to become a steel manufacturer in the upcoming years, as well increase our operational efficiencies and enhance our capabilities, which we believe will position us as a complete player in the steel industry. For details, see "*Use of Proceeds*" on page 70.

The commencement of our mining operations in October 2021 has led to a rise in our revenue from operations. Our ROCE was exceptionally better in Fiscal 2023 as compared to Fiscal 2022 as we paid all our debt on our books, while reaping benefits of better returns from the sale of iron ore (*Source: CRISIL Report*). The following table sets forth certain financial information of our Company, for the years indicated, on a consolidated basis:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Revenue from Operations	6,574.59	3,466.76	727.25
Y-o-Y growth	89.65%	376.69%	166.09%
Profit for the year	1,242.93	(288.55)	97.37
PAT Margin(%)[(1)]	18.75%	25.58%	19.64%
EBITDA [(2)]	1,781.21	884.75	175.28
EBITDA Margin (%) [(3)]	27.09%	25.52%	24.10%
Gross Debt to Equity Ratio (in times)	0.00	0.00	0.21
ROCE (%) [(4)]	59.79%	55.47%	22.30%

Note:

(1) *PAT Margin is the percentage of profit for the year divided by revenue from operations.*

(2) *EBITDA is calculated by adding profit for the year, other income (net), depreciation and amortisation, total tax expense and exceptional items;*

(3) *EBITDA Margin is the percentage of EBITDA divided by revenue from operations;*

(4) *Return on Capital Employed has been calculated as earning before interest and taxes divided by capital employed.*

We are led by our Promoters, Mukesh Rajnarayan Gupta, Babulal Agarwal, Rajesh Rajnarayan Gupta and Balasubramanian Prabhakaran, who have several decades of experience in the mining and steel industry and have been instrumental in the growth of our Company. Further, Thriveni Earthmovers Private Limited, our corporate promoter, is a diversified miner with operations and projects executed across geographies. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the mining and steel industry. As of March 31, 2024, we had a workforce of 2,692 personnel which comprised 1,402 employees, 369 permanent workers and 921 contract workers for our operations.

SUMMARY OF THE ISSUE

The following is a general summary of this Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information appearing elsewhere in this Preliminary Placement Document, including under the sections "***Risk Factors***", "***Use of Proceeds***", "***Placement and Lock-Up***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 42, 70, 215, and 203 of this Preliminary Placement Document, respectively.

Issuer	Lloyds Metals and Energy Limited
Face Value	₹ 1 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 732.08 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may, in consultation with the Book Running Lead Manager, offer a discount of not more than 5% on the Floor Price, in accordance with the approval of our Shareholders of our Company dated April 27, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Size	Issue of up to [●] Equity Shares aggregating up to ₹ [●] crore A minimum of 10% of the Issue Size, i.e., [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorizing the Issue	March 21, 2024
Date of Shareholders' Resolution authorizing the Issue	April 27, 2024
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in this Issue. For further details, see sections entitled "*Issue Procedure*" and "*Selling Restrictions*" beginning on pages 217 and 228, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLM
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 230 and 82 of this Preliminary Placement Document, respectively
Taxation	See "*Taxation*" on page 233 of this Preliminary Placement Document, respectively
Equity Shares issued, subscribed, paid-up and outstanding immediately prior to this Issue	505,253,535 fully paid-up Equity Shares.
Equity Shares issued, subscribed, paid-up and outstanding immediately after this Issue	[●] Equity Shares.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page of 203.
Listing and trading	Our Company has obtained in-principle approvals, each dated July 4, 2024 the

<table>
<tr><td></td><td colspan="2">BSE and the NSE respectively, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing of the Equity Shares issued pursuant to the Issue.

Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.

The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.</td></tr>
<tr><td>Lock-up</td><td colspan="2">For details of the lock-up, see “Placement and Lock-Up” on page 215.</td></tr>
<tr><td>Proposed Allotees</td><td colspan="2">See “Proposed Allotees in the Issue” on page 402, for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.</td></tr>
<tr><td>Transferability Restrictions</td><td colspan="2">The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See “Issue Procedure”, “Selling Restrictions” and “Transfer Restrictions and Purchaser Representations” on pages 203, 217 and 228, respectively.</td></tr>
<tr><td>Use of Proceeds</td><td colspan="2">The gross proceeds from the Issue will be aggregating to approximately ₹ [●] crore. The Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] crore.

See “Use of Proceeds” on page 70 for information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk Factors</td><td colspan="2">See the “Risk Factors” on page 42 a discussion of risks that prospective investors should consider before participating in the Issue.</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment is expected to be made on or about [•], 2024.</td></tr>
<tr><td>Ranking and Dividend</td><td colspan="2">The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares of our Company, including rights in respect of dividends.

The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. Please see “Dividends” and “Description of the Equity Shares” on pages 82 and 230, respectively.</td></tr>
<tr><td rowspan="3">Security Codes for the Equity Shares</td><td>ISIN</td><td>INE281B01032</td></tr>
<tr><td>BSE Scrip Code</td><td>512455</td></tr>
<tr><td>NSE Scrip Code</td><td>LLOYDSME</td></tr>
</table>

SUMMARY OF FINANCIAL INFORMATION

The following tables set out our selected financial information is extracted from our Audited Consolidated Financial Statements and should be read together with the more detailed information contained in sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 83 and 250 respectively.

[The remainder of this page has intentionally been left blank.]

SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENT

SUMMARY CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024, MARCH 31, 2023, AND MARCH 31, 2022

(*in ₹ crore*)

Sr. No	Particulars			As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	ASSETS					
I	**Non-Current Assets**					
	(a)	Property, Plant and Equipment		1,156.75	481.74	399.06
	(b)	Capital Work in Progress		1,268.15	297.87	85.88
	(c)	Right to Use Assets		77.95	50.63	0.60
	(d)	Financial Assets				
		(i)	Investments	0.04	0.04	0.14
	(e)	Deferred tax assets		0.04	137.38	28.24
	(f)	Other Non-current Assets		307.19	136.38	0.87
		Total Non-Current Assets		**2,810.12**	**1104.04**	**514.79**
II	**Current Assets**					
	(a)	Inventories		231.09	269.75	166.84
	(b)	Financial Assets				
		(i)	Investments	29.03	36.78	-
		(ii)	Trade Receivables	79.91	24.50	23.74
		(iii)	Cash and Cash Equivalent	2.59	27.56	13.73
		(iv)	Bank Balances Other than (iii) above	284.54	236.98	8.14
		(v)	Loans & Advances	1.50	25.07	-
	(c)	Other Current Assets		498.99	301.35	96.49
		Total Current Assets		**1,127.42**	**921.99**	**308.94**
		TOTAL ASSETS		**3,937.54**	**2,026.03**	**823.81**
	EQUITY AND LIABLITIES					
III	**Equity**					
	(a)	Equity Share Capital		50.53	50.48	37.04
	(b)	Other Equity		2,760.34	1,478.47	444.54
		Total Equity		**2,810.87**	**1,528.95**	**481.58**
IV	**Liabilities**					
	Non Current Liabilities					
	(a)	Financial Liabilities				
		(i) Borrowings		-	-	56.72
		(ia) Lease Liabilities		29.44	2.19	0.43
	(b)	Provisions		24.89	22.56	5.36
	(c)	Deferred Tax Liabilities		86.40	-	-
	(d)	Other Non-Current Liabilities		-	-	161.43
		Total Non Current		**140.73**	**24.75**	**223.94**

Sr. No	Particulars			As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
		Liabilities				
V	**Current Liabilities**					
	(a)	Financial Liabilities				
		(i) Lease Liabilities		3.69	0.61	0.21
		(ii)	Trade Payables			
			a) total outstanding dues of micro enterprises and small enterprises; and	-	-	
			b) total outstanding dues of creditors other than micro enterprises and small enterprises	395.09	74.53	15.18
		(iii)	Other financial liabilities	-	1.57	74.47
	(b)	Other Current Liabilities		308.39	383.49	14.42
	(c)	Provisions		18.99	12.12	13.93
	(d)	Current Tax Liabilities (Net)		259.78	-	-
		Total Current Liabilities		**985.94**	**472.32**	**118.25**
		TOTAL EQUITY AND LIABILITIES		**3,937.54**	**2,026.03**	**823.81**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024, MARCH 31, 2023 AND MARCH 31 2022

(*in ₹ crore*)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Revenue from Operations			
I	Gross Sales/ Income from Operations	6,521.65	3,392.31	697.50
II	Other Income	52.94	74.46	29.75
III	**Total Income (I+II)**	**6,574.59**	**3,466.77**	**727.253**
IV	**EXPENSES**			
	(a) Cost of Materials Consumed	536.62	504.35	373.27
	(b) Purchases of Stock-in-trade	370.23	-	-
	(c) Changes in inventories of finished goods, Stock-in Trade and work in-progress	(14.89)	35.78	(60.40)
	(d) Employee Benefit Expenses	117.76	54.26	18.35
	(e) Finance Cost	5.68	65.04	18.14
	(f) Depreciation and amortization expenses	48.99	23.00	17.98
	(g) Mining, Royalty and Freight Expenses	3,239.77	1,751.64	174.52
	(h) Other Expenses	543.90	235.98	46.22
	Total Expenses (IV)	**4,848.06**	**2,670.05**	**588.09**
V	**PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**1,726.53**	**796.72**	**139.16**
VI	Exceptional Items	-	1,194.40	51.36
VII	**PROFIT /(LOSS) BEFORE TAX (V-VI)**	**1,726.53**	**(397.68)**	**87.80**
VIII	**Tax Expenses:**			
	(1) Current Tax	(259.78)	-	-
	(2) Deferred Tax Income	(223.82)	109.14	9.51
IX	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATION (VII-VIII)**	**1,242.93**	**(288.54)**	**97.30**
X	**Share of Profit / (Loss) of Joint Venture**	**-**	**(0.01)**	**0.07**
XI	**Profit/(loss) from discontinued operations**	**-**	**-**	**-**
XII	**Tax expenses of discontinued operations**	**-**	**-**	**-**
XIII	**Profit/(loss) from Discontinued operations (after tax) (XI-XIII)**	**-**	**-**	**-**
XIV	**Profit/(loss) for the period (IX+XII)**	**1,242.93**	**(288.55)**	**97.37**
XV	**OTHER COMPREHENSIVE INCOME**			

			For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
		Particulars			
	(a)	(i) Items that will be reclassified subsequently to the statement of profit and loss	-	-	-
		(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss	-	-	-
	(b)	(i) Items that will not be reclassified subsequently to the statement of profit and loss	2.75	2.07	0.73
		(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss	-	-	-
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		**2.75**	**2.07**	**0.73**
XVI	**Total Comprehensive Income for the period (XIII+XIV)**		**1,245.68**	**(286.48)**	**98.10**
XVII	**Earnings per equity share (for discontinued operation):**				
XVIII	**Earning per equity share (for discontinued & continuing operation)**				
	(1)	Basic (in ₹)	**24.62**	**(6.53)**	**2.85**
	(2)	Diluted (in ₹)	**24.43**	**(4.74)**	**2.78**

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024, MARCH 31, 2023 AND MARCH 31, 2022

(*in ₹ crore*)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) Before Tax	1,726.53	(397.72)	87.80
Adjustments for:			
Depreciation	48.99	23.01	17.98
Other comprehensive income	-	2.07	0.73
Deferred Tax	-	109.14	-
Expense on Employee Stock Option Scheme (ESOP)	35.98	6.78	(0.19)
(Profit) / Loss on disposal of Property, Plant and equipment	0.27	3.66	0.09
(Profit) / Loss on sale of share or investment	(19.82)	-	-
Interest/Dividend Income	(23.11)	(12.35)	(0.61)
Interest & Financial Charges	5.68	5.98	10.18
Operating Profit Before Working Capital Changes	**1,774.52**	**(259.44)**	**115.98**
Change in operating assets and liabilities			
(Increase)/Decrease in Non-current/current financial and other assets	(169.84)	(271.45)	(16.83)
(Increase)/Decrease in Inventories	38.66	(102.91)	(51.13)
Increase/(Decrease) in Non-current/current financial and other liabilities/provisions	285.03	229.71	(125.21)
Cash Generated from Operations	**1,928.37**	**(513.19)**	**(77.91)**
Direct Taxes (Paid)/ Net of Refunds	(227.33)	(3.25)	(0.30)
Net cash inflow (outflow) from operating activities (A)	**1,701.04**	**(516.44)**	**(78.21)**
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipment	(724.01)	(99.63)	(56.24)
Right to Use Account	(26.40)	-	-
(Increase)/Decrease on Fixed Deposits	(47.55)	(228.84)	(0.50)
(Increase)/Decrease on Current Investment	19.82	(0.01)	-
(Increase)/Decrease on Investment in Subsidiaries	(0.10)	-	-
Sale of Property, Plant & Equipment	-	(1.50)	(0.02)
Interest/Dividend Received	23.11	4.93	0.58
(Increase)/Decrease in Capital WIP	(970.28)	(287.22)	(1.17)
Net cash inflow (outflow) from investing activities (B)	**(1,725.41)**	**(612.27)**	**(57.35)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Interest & Financial Charges	(0.79)	(66.09)	(9.86)
Proceeds from issue of Shares from ESOP (including Share Premium)	0.17	1,292.53	189.93
Proceeds from issue of Share warrant money	-	15.63	-
Proceeds from issue of Optionally Fully Convertible Debentures	-	(2.39)	-
Proceeds From Borrowing	-	-	75.21
(Repayment) of Borrowing	-	(74.97)	(118.08)
Dividend Paid	-	(22.24)	-
Net cash inflow /(outflow) from financing activities (C)	**(0.62)**	**1,142.53**	**148.89**
Net Increase /(Decrease) in Cash & Cash Equivalents (A+B+C)	**(25.00)**	**13.83**	**13.33**
Cash & Cash Equivalents as at the beginning of Year	27.58	13.76	0.40
Cash & Cash Equivalents as at the end of Year	2.59	27.58	13.73
Net Increase / (Decrease) in Cash & Cash Equivalents	**(25.00)**	**13.83**	**13.33**
Components of Cash and Cash equivalents			
(a) Cash on Hand	0.03	0.02	0.11
(b) Balance with Schedule Bank in : Current account	2.56	27.57	13.62
Total cash and Cash Equivalents	**2.59**	**27.58**	**13.73**

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition.

If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. In order to obtain a more detailed understanding about our Company and our business, prospective investors should read this section in conjunction with the sections "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" on pages 169, 113, 83 and 238, respectively, as well as the other financial information included in this Preliminary Placement Document.

This Preliminary Placement Document 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 Preliminary Placement Document. See "Forward-Looking Statements" on page 18. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries, on a consolidated basis.

Unless otherwise indicated or the context otherwise requires, the financial information for the Fiscals 2022, 2023 and 2024 included herein is derived from Audited Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Statements" on page 250. Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Assessment and outlook on India's iron and steel industry" dated June 2024 (the "**CRISIL Report**"), which is a report exclusively commissioned and paid for by our Company and prepared and released by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, pursuant to an engagement letter dated April 11, 2024 in connection with the Issue. For details, see "Industry and Market Data" on page 17.*

RISKS RELATING TO OUR BUSINESS

1. ***All of our mining operations and manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Maharashtra or any disruption in production at, or shutdown of, our mining operations or our Manufacturing Facilities could have material adverse effect on our business and financial condition.***

   As on the date of this Preliminary Placement Document, we presently have mining operations located at the Surjagarh Mining Complex, Maharashtra and two fully operational manufacturing facilities in Ghugus, Maharashtra and Konsari, Maharashtra ("**Manufacturing Facilities**") which are strategically located in proximity to each other and the Surjagarh Mining Complex. We also have captive power plants within each of the Manufacturing Facilities. Accordingly, a large part of our current manufacturing operations is concentrated in one geographic area.

   Our manufacturing operations and consequently our business is dependent upon our ability to manage the Surjagarh Mining Complex, located in Maharashtra, and our Manufacturing Facilities, which is subject to operating risks, including those beyond our control. In the event of any disruptions at our Surjagarh Mining Complex or our Manufacturing Facilities, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions in Maharashtra, our ability to manufacture our products may be adversely affected.

In addition to the loss as a result of a fire, industrial accident or natural calamity, any shutdown of our Surjagarh Mining Complex or our Manufacturing Facilities could result in us being unable to meet with our commitments, result in modification of our business strategy, or require us to incur significant capital expenditure, which will have an adverse effect on our business, results of operation and financial condition. In the past we have had to face shut down of our Manufacturing Facility at Ghugus, Maharashtra due to a blast in the transformer as well as pursuant to breaking down of machinery.

Disruptions in and around our Surjagarh Mining Complex or our Manufacturing Facilities could delay production or require us to shut down the Surjagarh Mining Complex or the Manufacturing Facilities. Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the Surjagarh Mining Complex or the Manufacturing Facilities may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities.

We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our Surjagarh Mining Complex or the Manufacturing Facilities, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

2. ***We are significantly dependent on the extraction of iron ore from the Surjagarh Mining Complex for our revenue and operations. Any interruption in the operations at the Surjagarh Mining Complex could have a material adverse effect on our results of operations and financial condition.***

Our revenue from operations is significantly dependent on our successful and continuous extraction of iron ore from our mining operations located at Surjagarh Mining Complex. In Fiscal 2024, we extracted 10 MTPA of iron ore from our mining operation at our Surjagarh Mining Complex. Our revenue from mining segment was ₹ 5,283.19 crore in Fiscal 2024, ₹ 2,651.10 crore in Fiscal 2023 and ₹ 237.97 crore in Fiscal 2022, on a consolidated basis, contributing 80.36%, 76.47% and 32.72%, to our overall revenue from operations in Fiscals 2024, 2023 and 2022, respectively.

While we were granted the mining lease in the year 2007, we have been able to successfully operate the mine only from Fiscal 2022, as we have faced significant operational challenges in the past due to political extremism and related security issues. Our mining operations have faced protests from the local villagers, politicians and other anti-social/extremist groups. For example, one of our employees was killed in the year 2013 by the anti-social/extremist groups in the region. Further, in the year 2016, representatives from around 70 villages involving tribal leaders, local social organizations and political leaders gathered in Surjagarh and passed a resolution to halt the mining and demanded that the government cancels all present and proposed mining leases. Further, the trucks carrying the iron ore extracted from the mine have been burnt in the past, leading to destruction of our contractors equipment. Our mining operations were also shut for certain time periods in accordance with the guidelines issued by the Government of Maharashtra during the period of Covid-19. These incidents led to intermittent mining operations at Surjagarh Mining Complex between 2007 and 2021.

We cannot assure that we will be able to successfully continue our mining operations or at all in the future. Any interruption in production may require significant and unanticipated capital expenditure to affect repairs or increase the cost of power, which could have a negative effect on profitability and cash flows. A sustained disruption to our business could also result in a loss of customers or imposition of penalties by our customers for failure to adhere to timelines. Any or all of these occurrences could result in the temporary or long-term closure of our manufacturing plants, severely disrupt our business operations and materially adversely affect our business, results of operations, financial condition and prospects.

3. ***The names of Mukesh Rajnarayan Gupta, Rajesh Rajnarayan Gupta and Babulal Agarwal, our Promoters who are also our Directors, have been disclosed in the list of Wilful Defaulters and defaulters (₹ 1.00 crore and above). Further, one of our Director was a director on the board of a company, which was subsequently declared as a vanishing company.***

The names of Mukesh Rajnarayan Gupta, Rajesh Rajnarayan Gupta and Babulal Agarwal, our Promoters who are also our Directors, have been disclosed in the list of Wilful Defaulters on the website of TransUnion CIBIL Limited ("**CIBIL**") in relation to defaults of payments of loans availed by: (a) Lloyds Steel Industries Limited ("**LSIL**") from Central Bank of India and State Bank of Travancore (now merged with State Bank of India); and (b) Lloyds Finance Limited ("**LFL**") from State Bank of Mysore (now merged with State Bank of India), State Bank of Patiala (now merged with State Bank of India), State Bank of Travancore (now merged with State Bank of India) and The South Indian Bank Limited.

As per the information available on the website of CIBIL, the said defaults appear to be first reported in the quarter of March 31, 2002. The outstanding amounts in relation to the abovementioned wilful defaults were (a) in relation to LSIL, ₹ 143.05 crores (Central Bank of India), ₹ 45.84 crores (State Bank of Mysore) and (b) in relation to LFL, ₹ 9.86 crores (State Bank of Travancore), ₹ 1.79 crores (highest amount reported for The South Indian Bank Limited), ₹ 9.22 crores (highest amount reported for State Bank of Mysore) and ₹ 5.27 crores (State Bank of Patiala). As LSIL and LFL had defaulted on the abovementioned loans, each of Mukesh Rajnarayan Gupta, Rajesh Rajnarayan Gupta and Babulal Agarwal, in the capacity of Directors of LSIL and LFL, along with LSIL and LFL, have been included in the list of wilful defaulters by CIBIL and have been classified as "Wilful Defaulter". Further, in the past, Bank of India and Dhanalakshmi Bank had also classified each of Mukesh Rajnarayan Gupta, Rajesh Rajnarayan Gupta and Babulal Agarwal as "Wilful Defaulter", consequent to defaults of payment of loan availed from Bank of India (₹ 50.00 crores) by LSIL and Dhanalakshmi Bank (₹ 6.27 crores) from LFL.

For further details, see "*Board of Directors and Senior Management – Disclosures pertaining to Wilful Defaulter and Fraudulent Borrower*" beginning on page 193.

Further, the names of Mukesh Rajnarayan Gupta, Rajesh Rajnarayan Gupta and Babulal Agarwal, have also been disclosed in the list of defaulters (*₹ 1.00 crore and above*) on the website of CIBIL in relation to defaults of payments of loans availed from Centurion Bank Limited (₹ 12.64 crore), Bank of Tokyo Mitsubishi (₹ 44.90 crore), Credit Agricole Corporate and Investment Bank (₹ 42.42 crore), CSB Bank (₹ 5.67 crore), Dhanalakshmi Bank (₹ 6.27 crore), General Insurance Corporation of India (₹ 17.92 crore), IndusInd Bank (₹ 148.00 crore), State Bank of Hyderabad (₹ 39.18 crore), State Bank of India (₹ 25.78 crore in relation to Mukesh Rajnarayan Gupta, ₹ 99.03 crores in relation to Rajesh Rajnarayan Gupta and ₹ 95.18 crore in relation to Babulal Agarwal), State Bank of Mysore (₹ 12.15 crore), The Federal Bank (₹ 39.15 crore), The United Western Bank (₹ 2.88 crore), SIDBI (₹ 33.98 crore), State Bank of Patiala (₹ 5.25 crore), State Bank of Travancore (₹ 9.86 crore), The South Indian Bank Limited (highest amount reported is ₹ 6.80 crore for Rajesh Rajnarayan Gupta and ₹5.01 crore for Mukesh Rajnarayan Gupta) and Central Bank of India (₹ 220.00 crore). For further details, see "*Board of Directors and Senior Management – Disclosures pertaining to Defaults*" beginning on page 196.

Additionally, Ramesh Luharuka, one of our Independent Directors was an independent director on the board of Saket Extrusions Limited for the period from September 6, 1993 to June 30, 1994, which was subsequently declared as a vanishing company on April 2, 2002.

Any subsequent adverse action by any regulatory authority or statutory authority or the lenders or non-removal of names from the list of Wilful Defaulters or defaulters (*₹ 1.00 crore and above*) in any of the abovementioned matters may have a significant adverse impact on our reputation, operations and financial condition.

4. ***Our statements of mineral reserves are subject to estimations, and if the actual amounts of such reserves are less than estimated, our results of operations and financial condition may be adversely affected.***

Our future performance depends on, among other things, the accuracy of the estimates of our ore reserves and resources. Our mineral resources and ore reserves have been estimated by using the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**JORC Code**"). The iron ore reserves and resources set forth in this Preliminary Placement Document are also based on management estimates and third party sources.

There are numerous uncertainties inherent in estimating quantities and grades of reserves and in projecting potential future rates of mineral production, including many factors beyond our control. Reserve estimation is a subjective process of estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment. Estimates of different engineers may vary, and results of our mining and production subsequent to the date of an estimate may lead to revision of estimates. Reserve estimates and estimates of mine life may require revision based on actual production experience and other factors. For example, fluctuations in the market price of iron ore, reduced recovery rates or increased production costs due to inflation or other factors may render proven and probable reserves containing relatively lower grades of mineralization uneconomic to exploit and may ultimately result in a restatement of reserves. If our reserve estimates differ materially from mineral quantities or grades that we may actually recover, estimates of mine life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain ore reserves or mineral deposits uneconomical to mine. If this occurs, our results of operations and financial condition may be adversely affected.

As a result, you should not place undue reliance on the iron ore reserve data contained in this Preliminary Placement Document. In the event that any of these estimations turns out to be incorrect, we may need to revise our ore reserves downwards and this may adversely affect our life of mine plans and consequently the total value of our mining asset base, which could increase our costs and decrease profitability.

For more information on our iron ore reserve and resources, see "*Our Business – Surjagarh Mining Complex*" beginning on page 179.

5. ***There are outstanding litigation and taxation matters involving our Company, our Promoters and our Directors, which if determined adversely, could affect our business and results of operations.***

We, our Promoters and our Directors are involved in certain legal proceedings and tax matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. We can give no assurance that these legal proceedings will be decided in our favour. We may incur significant expenses and management time in such legal proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition.

For instance, in the past we have been involved in an arbitration proceeding with Sunflag Iron & Steel Company Limited ("**Sunflag**") in relation to sharing of resources extracted from our mine. The Arbitrator passed an award dated April 22, 2022 read with an additional/supplemental award dated April 28, 2022, pursuant to which, we were liable to pay ₹900 crores to Sunflag. In lieu of the award, we issued 6,00,00,000 0% interest optionally fully convertible debentures to Sunflag. For further details, see "*Capital Structure*" on page 76. While the matter is closed, we cannot ascertain that any such claims will not be brought against us in the future.

In another instance, Samarjeet Chatterjee has filed a Public Interest Litigation under Article 226 of the Constitution of India dated November 23, 2022, to issue appropriate writs of mandamus and certiorari against our Company, Union of India and others, before the High Court of Bombay**,** alleging that our Company has illegally and arbitrarily increased the mining capacity at the Surjagarh Mining Complex, from 3 MTPA to 10 MTPA and has alleged that the act of the Company to expand their mining capacity is in violation of the terms, conditions, rules and regulations provided by the Ministry of Environment Forest and Climate Change (IA Division). While, the matter is currently pending before the High Court, any adverse order in the matter against our Company will have an adverse effect on our business, results of operations and financial condition.

Further, certain writ petitions have also been filed against our Company alleging that the acquisition of land underlying our Konsari Manufacturing Plant is unconstitutional and illegal. These are currently pending before the High Court of Bombay. In the event the High Court of Bombay passes an adverse order or any new developments arise such as rulings against us by the appellate courts or tribunals, the continuity of our business operations may be impacted and we may face losses and have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse outcome of litigation or regulatory proceedings could have a material adverse effect on our business, future financial performance and trading price of the Equity Shares. Our Company may also incur legal cost for a matter even if our Company has not made any legal provisions for the same. In addition, the cost of resolving a legal claim may be substantially higher than any amount reserved for.

For further details on the outstanding litigation against our Company, Promoters and Directors please see section titled "*Legal Proceedings*" on page 238.

6. ***Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair our ability to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.***

We primarily depend on roadways to transport our products to our customers as well as transport our raw materials from the Surjagarh Mining Complex to our two sponge iron manufacturing plants located at Ghugus, Maharashtra and Konsari, Maharashtra. We also utilize third party transportation services by road for transport of raw materials and our products from/ to our suppliers and customers. Transportation involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability and operating restrictions/ lockdown.

Any delay or disruption caused to the transportation of raw materials or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. Further, disruptions of the logistics and transportation services on account of weather-related problems, strikes, inadequacies in the rail infrastructure, operating restrictions or other events could impair the ability of our suppliers to deliver raw materials or significant increase in transportation costs may have an adverse impact on our operations.

7. ***We may not be successful in implementing our strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and strategies. For more information, see "*Business – Our Strategies*" beginning on page 176. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require ourselves to continue developing and improving our operational, financial and other internal controls. One of our key strategies is to expand our current iron ore extraction level from 10 MTPA to 55 MTPA (including banded hematite quartz), in the coming years. We expect that this strategy will place significant demands on our management, mining technology and capital expenditure.

Our inability to implement and manage this key strategy as well as others could have an adverse effect on our business, financial condition and profitability.

8. ***Our mining operations are subject to operating risks that could result in decreased production or increased cost of production, which could adversely affect our business, results of operations and financial condition.***

The success of our business is subject to operating conditions and events beyond our control that could, among other things, increase our mining, processing, transportation or production costs, disrupt or halt operations at our mines and production facilities permanently or for varying lengths of time, or interrupt the transportation of our semi-finished products between our facilities and our finished products to our customers. These conditions and events include:

Availability of water- Water is critical in iron ore mining operations. Any disruptions in water supply could seriously hamper our iron ore production and may adversely affect our business, operating revenues and results of operations. There is no assurance that disruptions to our water supply will not occur in the future and any such disruptions may adversely affect our operations, financial condition and results of operations.

Disruptions in mining and production due to equipment failures, unexpected maintenance problems and other interruptions- All of our operations are vulnerable to disruptions due to equipment failures, unexpected maintenance problems and other interruptions. Ore processing plants are especially vulnerable to interruptions, particularly where an event causes a stoppage which necessitates a shutdown in operations. This could materially and adversely affect our results of operations or financial condition. The losses from such interruptions include lost production, repair costs and other expenses.

Availability of electricity- We require substantial electricity for our iron ore mining and refining and energy costs represent a significant portion of the production cost for our operations. The Surjagarh Mining Complex is located in remote area in Maharashtra, and we rely on the state electricity boards for almost all the electricity requirements for our mining operations. We also maintain electricity generators at our facilities to meet emergency requirements. State electricity board is not always able to consistently meet our requirements especially as the Surjagarh Mining Complex is located in a remote area that requires transmission over greater distances. If for any reason such electricity is not available, we will need to rely entirely on our own backup electricity generators. If our backup facilities are not sufficient, we may need to shut down our plant until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Historically, we have not experienced significant power interruption but we cannot assure you that such power interruptions will not occur in the future. Furthermore, any increase in the cost of such purchased power would adversely affect our cost of production and profitability.

Accidents at mine and related facilities.

Mining operations are subject to risks normally associated with exploration, development and production of natural resources, any of which could disrupt our operations, cause damage to property or cause injury or fatalities among our workforce. Any fires, flooding, explosions or other accidents causing personal injury, property damage or environmental damage at or to our mines related facilities may result in significant losses, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. In addition, certain risks associated with our mining activities may have a negative effect on our ability to economically extract our resources, thereby reducing our stated reserves.

Risks associated with our open-pit mining operations include flooding of the open-pit, collapses of the open-pit wall, slope failure and operation of large equipment for open-pit mining and rock transportation. The open-pit mines get deeper as we mine them, presenting certain geotechnical challenges including the possibility of slope failure. If we are required to decrease pit slope angles or provide additional road access to prevent such a failure, the cost of operating our mines would increase, which would negatively affect how much of our ore resources we could economically extract, thereby reducing our stated ore reserves and could negatively affect our results of operations and financial conditions. Further, hydrological conditions relating to pit slopes, removal of material displaced by slope failures and increased stripping requirements could also negatively affect our stated reserves in this manner. We have taken action in order to maintain slope stability, but we cannot assure you that we will not have to take additional action in the future or that any action taken will be successful. If any of our open-pit mines experience unexpected slope failure, or we are required to take additional measures to prevent slope failure, such measures may negatively affect our results of operations and financial condition, as well as have the effect of diminishing our stated ore reserves.

Risks associated with our underground mining operations include underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic substances, flooding, sinkhole formation and ground subsidence.

Accidents may also cause disruptions in production. Due to the dangerous nature of our operations, we are subject to extensive health and safety laws. A violation of health and safety laws or failure to comply with the requirements of the relevant health and safety authorities could lead to, among other thing, a temporary shutdown of all, or a portion of, our mines or processing facilities and the imposition of costly compliance procedures. If health and safety authorities shut down all, or a portion of, our mines or processing facilities or impose costly compliance measures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Even though we provide safety training to our employees, injuries to and deaths of workers at our mines and facilities have occurred in the past and may occur in the future. In the past, fatal accidents have occurred at our mines. For example, in August 2023, three persons from the mechanical team were killed in an accident pursuant to a tipper overturning on a turner while transporting the iron ore. This led to a stoppage in our extraction for a brief period. We cannot assure you that serious or fatal accidents will not occur at our mines and facilities and any of such accidents may have an adverse effect on our business operations and financial conditions.

Strikes and industrial actions or disputes.

Strikes, work stoppages and industrial actions or disputes have occurred in the past and may occur in the future, which may lead to business interruptions and halts in production. In addition, our businesses may be subject to demands and litigation for pay raises and increased benefits including any demands of the trade union of our workers. There can also be no assurance that work stoppages or other labour-related developments (including the introduction of new labour regulations in India) will not adversely affect our results of operations or financial condition. Any industrial unrest or slowdowns which our third party contractors may experience could disrupt the provision of services to us and may adversely impact our operations and financial condition.

Other risks and hazards.

Our businesses are subject to numerous other operating risks which include: unexpected geological features or unexpected seismic activity; climatic conditions (including the impact of seasonal variations during the monsoon months) such as flooding, extreme foggy conditions or drought; rebel or terrorist vandalism or attacks; tribal actions or protests; environmental hazards; and technical failures. These risks and hazards could result in damage to or destruction of, properties or production facilities, may cause production to be reduced or cease at those properties or production facilities, may result in personal injury, environmental damage, business interruption or possible legal liability and may result in actual production differing from estimates of production, including those contained in this Preliminary Placement Document.

The occurrence of any one or more of these conditions or events could have a material adverse effect on our business, results of operations and financial condition.

9. ***The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves as well as the prices of raw material and energy. A decrease in steel prices or increase in the cost of raw material and energy may have a material adverse effect on our business, results of operations, prospects and financial condition.***

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

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.

Further, steel production requires substantial amounts of raw materials and energy, including iron ore, iron ore fines, non-coking coal and coke, scrap and power, which are subject to significant price volatility. The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high capacity utilization. If capacity exceeds demand, there is a tendency for prices 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 cannot be brought on line as quickly. The result can be substantial price volatility. We may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

10. ***One of our Promoters has been named in a chargesheet filed by the Central Bureau of Investigation ("CBI") for taking delivery and introducing tainted shares in the market and criminal conspiracy.***

In January 2010, the Deputy Superintendent of Police, CBI: BS&FC; Mumbai filed a chargesheet bearing no. RC 5(E)/2001/CBI/BS&FC/Mumbai ("**Chargesheet"**) against Mukesh Rajnarayan Gupta, our Promoter and other defendants named therein under Section 120B of the Indian Penal Code ("**IPC**"), read with Sections

409,420, 467, 468, 471 of IPC and Commission of Specific Offences under Section 420 of IPC. The charges against Mukesh Rajnarayan Gupta are that he took delivery of 35,000 'tainted shares' of ACC, 20,000 'tainted shares' of Tata Tea and 20,000 'tainted shares' of L&T on instructions of Harshad Mehta, who was one of the broker defendants and introduced them in the market through Ketan Parekh, another broker, who sold those shares and used the proceeds to boost the share price of Jaiprakash Industries. The investigation is presently ongoing in the matter. As on date, the Additional Chief Metropolitan Magistrate, at the Esplanade Court, Mumbai is in the process of recording the statement of witnesses. We cannot assure you that no adverse orders will be passed against Mukesh Rajnarayan Gupta in the matter in the future. For further details, please see section titled "*Legal Proceedings*" on page 238.

11. ***The unexpected loss, shutdown or slowdown of operations at any of our Manufacturing Facilities could have a material adverse effect on our results of operations and financial condition.***

Our manufacturing plants are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing plants. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production at one or more manufacturing plant to shut down or slowdown. We have in the past faced such instances. For further details, please refer to "- *All of our mining operations and manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Maharashtra or any disruption in production at, or shutdown of, our mining operations or our Manufacturing Facilities could have material adverse effect on our business and financial condition"* beginning on page 42. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

Further, one of our primarily raw materials, coal, depending on our inventory levels at times, is also stored in open areas at our manufacturing plants and hence is prone to catching fire in the summer due to high temperatures. Any loss of coal as a result could have a material adverse effect on our results of operations and financial condition. In addition, some of our key equipment may, on occasion, be out of service as a result of routine servicing or unanticipated failures, which could require us to close part or all of the relevant manufacturing plant or cause production reductions on one or more of our manufacturing plants. Our manufacturing plant and such key equipment would be difficult and expensive to replace on a timely basis.

Our manufacturing plants are reliant on our captive power plants for the requirement of power. We have in the past faced instances which led to the shutdown of some of our captive power plants. Any interruption in production may require significant and unanticipated capital expenditure to affect repairs or increase the cost of power, which could have a negative effect on profitability and cash flows. A sustained disruption to our business could also result in a loss of customers or imposition of penalties by our customers for failure to adhere to timelines. Any or all of these occurrences could result in the temporary or long-term closure of our manufacturing plants, severely disrupt our business operations and materially adversely affect our business, results of operations, financial condition and prospects.

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

We have consistently increased our mining extraction capacity as well as installed production capacity of sponge iron. Recently, we have undertaken various expansions of our manufacturing plants including the setting-up of 0.07 MTPA sponge iron manufacturing plant at Konsari, Maharashtra, which was completed in Fiscal 2024.

We intend to further increase our existing manufacturing capacities and undertake capacity expansion. For further information, see section entitled "*Our Business — Our Strategies – Continue to increase our existing* *manufacturing capacities and undertake capacity expansion*" beginning on page 177.

These expansion projects, to the extent that they proceed, would involve risks, including risks associated with the timely completion of these projects, 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, financial condition, results of operations and prospects. Factors that could affect our ability to complete these projects on time or at all, include completing the project/ 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, obtaining or renewing required regulatory approvals and licenses, 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 effectively manage our expansion may lead to increased costs 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 the Company. In addition, our expansion plans have not been appraised by any independent or third party agency, and accordingly, in the absence of such independent appraisal, our expansion plans may be subject to change based on various factors which are beyond our control.

13. ***Our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial condition.***

Our business operations, including mining and manufacturing plants, are being conducted on premises which are leased from the Government of Maharashtra and MIDC, and we may continue to enter into such transactions in future. We cannot assure you that we will continue to be able to renew or extend the lease at favourable terms or at all.

Further, we may require additional amount of land for the purposes of operating our manufacturing plants and future expansion plans. However, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition, or at all. The cost of acquiring land on a freehold or leasehold basis for our manufacturing plants may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our manufacturing plants from local communities, tribes, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our manufacturing plants, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

14. ***Our Company was incorporated in 1977 and we are unable to trace some of our historical corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.***

We are unable to trace some of our historical corporate records, including the form filings made with the RoC, and corresponding resolution maintained by our Company. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace the following corporate records and regulatory filings of our Company:

(i) Form filings, resolutions, return of allotment, list of allottees and other corporate records filed with RoC, with respect to allotments of equity shares made by our Company prior to the year 2016;

(ii) Form INC-22 with respect to our Registered Office;

While certain information in relation to these allotments has been disclosed in the section "*Capital Structure*" beginning on page 76 based upon the details provided in the search report dated July 3, prepared by Mitesh J. Shah & Associates, Practicing Company Secretary, we may not be able to furnish any further information, other than what is already disclosed in "*Capital Structure*" beginning on page 76.

Additionally, we had made certain allotments to NRIs and other foreign body corporates in the past and since the Company was incorporated in 1977, we are unable to trace the form FC-GPR and other RBI form filings for the same. We cannot guarantee that there have been no inadvertent errors and delays in filing of the untraceable forms.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the untraceable filings and statutory lapses as of the date of this Preliminary Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. While the amount of penalty is not likely to be material, the actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company.

15. ***Our Company is required to comply with the various requirements prescribed under the SEBI Listing Regulations. Failure to comply with the same by our Company may result in certain adverse consequences.***

We are required to comply with various applicable rules and regulations in terms of our listed Equity Shares, including the SEBI Listing Regulations. In the past, BSE, NSE and MSE, vide notices, each dated November 21, 2023, each imposed a fine of ₹ 0.01 crore on our Company, followed by a subsequent fine of ₹0.01 crore on our Company, by each of BSE and NSE via notices each dated February 22, 2024, for non-compliance of Regulation 17(1)(A) of the SEBI Listing Regulations by our Company as prior approval of the shareholders of our Company by way of a special resolution was not sought for appointment of Babulal Agarwal, Vice-Chairman and Non-Executive Director, who had crossed the age of 75 years. These fines have been paid by our Company, as of the date of this Preliminary Placement Document. There can be no assurance that similar fines will not be levied or any other action (as set out in the applicable SEBI Listing Regulations) will not be taken by the Stock Exchanges. Any substantial fines could adversely impact our profitability and results of operations.

16. ***Failure to comply with environmental laws and regulations by us could lead to unforeseen environmental litigation which could impact our business and our future net earnings.***

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to further invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing plants.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

17. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of March 31, 2024, we had a workforce of 2,692 personnel which comprised 1,402 employees, 369 permanent workers and 921 contract workers for our operations. Although we have not experienced any work stoppages due to labour disputes or cessation of work in the last three Fiscals, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Further, certain of our workers are represented by a labour union. Our business may be subject to union demands and litigation for pay raises and increased benefits. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations and financial condition.

18. *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 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 manufacture, process and supply sufficient quantities of our products. 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.

19. *We do not have long-term agreements with our customers which would have a material adverse effect on our business, results of operations and financial condition.*

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our distribution network. Though we have had repeat orders from customers and have developed relationships with certain customers, we do not typically enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products that may have a material adverse effect on our business, results of operations and financial condition. We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and could result in a significant decline in the revenues we derive from such customers.

20. *If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.*

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our internal controls will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

21. *Our mining and manufacturing operations are subject to various operating risks.*

Our mining and manufacturing operations are inherently risky and requires individuals to work under potentially high risk circumstances. For example, if improperly handled, molten metal can cause personal injury or loss of life of employees or other persons, and cause damage to our properties and the properties of others and the imposition of civil or criminal liabilities. We are also prone to accidents in our mines as these are open cast mines. We could also face claims and litigation filed on behalf of persons alleging injury as a result of occupational exposure to hazards at our facilities.

22. ***Any increase in our production costs could reduce our ability to compete and achieve long-term profitability.***

Our competitiveness and long-term profitability substantially depends upon our ability to maintain a low cost base, including low production cost, low transport, energy and labour costs. There can be no assurance that our cost inputs will be maintained at current levels. Our cost inputs include royalties, power, materials, fuel, transport, rental and labour costs. Labour costs have significantly increased over the last few years partly because of increased competition for skilled labour. Any increase in these costs could materially and adversely affect our profitability, financial condition, results of operations and prospects. We are planning to invest a significant amount of capital to expand our current production level. Our unit production costs are therefore significantly affected by production volumes given the relatively fixed nature of our cost base in the short term, and any inability to maximize capacity utilization could impair our overall cost competitiveness.

23. ***We have in the past experienced negative cash flows from operation activities. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(in ₹ crore)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024
Net cash inflow / (outflow) from operating activities	(78.21)	(516.44)	1,701.04
Net cash (outflow) from investing activities	(57.35)	(612.27)	(1,725.41)
Net cash inflow / (outflow) from financing activities	148.89	1,142.53	(0.62)
Cash and cash equivalents at the beginning of the financial year	0.40	13.76	27.58
Cash and cash equivalents at the end of the financial year	13.73	27.58	2.59

We may in the future experience negative operating cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 83.

24. ***Our efforts to ensure high capacity utilization in our plants may result in oversupply of our products which may adversely affect our profitability***

Our competitiveness and long-term profitability are, to a significant degree, dependent upon our ability to optimize capacity utilization and maintain low-cost and efficient production relative to competitors. For details of our installed capacity and capacity utilisation, please see, "*Our Business- Continue to increase our existing mining and manufacturing capacities and undertake capacity expansion through inorganic route to capture the growing demand*" beginning on page 177. Due to the high fixed costs related to sponge iron production, sponge iron producers generally attempt to maintain high capacity utilization rates in order to maintain their profitability. However, any excess capacity often results in manufacturers selling significant amounts of steel and steel products at prices that are at or below their costs of production. In addition, oversupply may result in decreased steel prices as well as lower utilization rate. Further, during periods of declining demand, this may result in a significant oversupply of steel and a corresponding decline in steel prices. This may be further exacerbated by reduced levels of GDP growth and government policies in major economies, including China and the United States. Continued low utilization rates would also affect our fixed costs, which cannot be fully reduced in line with production, leading to a higher per unit cost. A decrease in our utilization rate could have a material adverse effect on our business, financial condition and results of operations.

25. ***We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.***

The following table sets forth our contingent liabilities as of March 31, 2024:

Particulars	As of March 31, 2024 (₹ in crore)
Contingent Liabilities	
(a) Letter of Credit/Guarantees issued by Banks	49.29
(b) Disputed claims of Excise	16.16
(c) Demand notice by Income tax	32.42
(d) Claims against the Company not acknowledged as Debts	3.21

For further information on our contingent liabilities, see "*Financial Statements*" on page 250.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

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

We maintain insurance coverage which we believe is consistent with the industry practices and in amounts which we believe to be commercially appropriate. Our Company's insurance cover collectively was ₹4,101.17 crores as of March 31, 2024 . However, we may become subject to liabilities, including liabilities for business interruption, product liability, pollution or other hazards, against which we may not have adequate insurance, or at all, or cannot insure. Our insurance policies contain exclusions and limitations on coverage. We do not have insurance for business interruptions, product liability or certain types of environmental hazards, such as pollution or other hazards arising from the disposal of waste products. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on our financial condition or results of operations. Moreover, no assurance can be given that we will be able to maintain our existing level of insurance, or obtain additional insurance, in the future at acceptable rates.

As a result, our insurance coverage may not cover the extent of any claims against us, including for environmental or industrial accidents or pollution.

27. ***The proposed preferential issuance by our Company will dilute your shareholding in the Company.***

Subject to the approval of our Shareholders at the EGM proposed to be held on July 29, 2024 and appropriate authorities, our Board of Directors at their meeting held on July 4, 2024, have decided to issue and allot 4.00 crore convertible warrants of the Company on a preferential basis at a price of ₹ 740.00 each (to be converted into Equity Shares) ("**Preferential Issue**") of which 1.50 crores convertible warrants are proposed to be issued to the Promoters and balance to others / non-promoters of the Company, towards raising of additional capital by the Company pursuant to Section 42, 62 of the Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations.

The proposed Preferential Issue requires the approval of our Shareholders. However, we may not be able to complete the Preferential Issue in a timely manner or at all if we do not receive the approval of our Shareholders or any other regulatory and statutory approvals required for the Preferential Issue or if the proposed subscribers to the proposed Preferential Issue do not subscribe to the Preferential Issue. Further, the terms of the Preferential Issue as currently approved by the Board maybe amended/ modified. Further, a successful completion of the Preferential Issue will result in an increase in the shareholding of our Promoters in the Company and may result in dilution of shareholding of the successful allottees in the Issue as well as other shareholders of our Company.

28. ***Inability to obtain, maintain or renew requisite statutory and regulatory permits, mining lease rights and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

Our exploration and mining activities depend on the grant, extension or continuance in force of various exploration and production contracts, licences, permits and other regulatory approvals that are only valid for a finite period of time and may provide for early termination. In India, the government grants exploration and production rights through mining leases, mining licences, contracts, permits and other regulatory approvals. These rights are not granted in perpetuity. Our sponge iron operations are subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including various environmental approvals, factories licenses, labour related and tax related approvals.

As on date of the Preliminary Placement Document, certain of our approvals are pending. For example, we have applied for certain approvals in relation to our expansion plans such as for increase in the iron ore extraction capacity to 55 MTPA (including banded hematite quartz), expansions to be undertaken at our Manufacturing Facilities, laying down of the slurry pipeline and setting up of pellet plants.

In the past, we have been issued show cause notices and a compounding fees of ₹ 0.02 crores was imposed on us, pursuant to the order of Judicial Magistrate, First Class, Nagpur dated June 26, 2024, for instances of non-compliances / violations of Rule 11(2), 36(1) and 36(3) of the Mineral Conservation and Development Rules 2017 ("**MCDR**"), read with Section 21 of the Mines and Minerals (Development and Regulation) Act, 1957, ("**MMDA**"), including for lack of environmental monitoring, observed during an inspection on October 20, 2018 by Ashish Mishra, Senior Controller of Mines, on behalf of Indian Bureau of Mines.

There can be no assurance that the relevant authorities will issue or rectify such permits or approvals in time or at all. We cannot assure you that such approval will be granted and this may result in delay of our expansions if such approval is not obtained. Failure or delay in obtaining or maintaining or renew the required permits or approvals within applicable time or at all may result in interruption of our operations. Further, the relevant authorities may initiate penal action against us, restrain our operations, close our factories, impose fines/ penalties or initiate legal proceedings for our inability to renew/ obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

Further, our contractors and other counterparties are required to obtain approvals, licenses, registrations and permits with respect to the services they provide to us. We cannot assure you that such contractors or counterparties have obtained and will maintain the validity of such approvals, licenses, registrations and permits. We cannot assure you that we or any other party will be able to obtain or comply with all necessary licenses, permits and approvals required for our operations in a timely manner to allow for the uninterrupted construction or operation of our business, or at all.

29. ***We are dependent on our Promoters, Directors, Key Managerial Personnel, including our Senior Management Personnel or people with technical expertise, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are led by our Promoters, Mukesh Rajnarayan Gupta, Babulal Agarwal, Rajesh Rajnarayan Gupta and Balasubramanian Prabhakaran, who have several decades of experience in the mining and steel industry and have been instrumental in the growth of our Company. Further, Thriveni Earthmovers Private Limited, our corporate promoter, is a diversified miner with operations and projects executed across geographies. Our Promoters, Directors, Key Managerial Personnel, Senior Management Personnel have extensive experience in the mining and steel industry in India.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Promoters, Directors, Key Managerial Personnel, Senior Management Personnel or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

30. ***Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.***

We intend to use the Net Proceeds for the purposes described in section entitled "*Use of Proceeds*" beginning on page 70. The objects of the Issue have not been appraised by any bank or financial institution. Whilst a Monitoring Agency has been appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, internal management estimates based on the terms of our current financing documents and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Use of Proceeds, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

31. *We may require additional equity or debt in the future in order to continue to grow our business, which may not be available on favorable terms or at all.*

Our strategy to grow our business may require us to raise additional funds for our working capital or long term business plans. We cannot assure you that such funds will be available on favorable terms or at all. If we are unable to raise additional funds on favorable terms or at all as and when required, our business, financial condition, results of operations, cash flows and prospects could be adversely affected.

32. *Technology failures could disrupt our operations and adversely affect our business operations and financial performance.*

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, production scheduling and raw material ordering, invoicing, customer relationship management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, telecommunications failures, computer viruses, hackers and other security issues. IT interruptions and system failures could have a material and adverse effect on our ability to realise the anticipated improvements in productivity and efficiency.

A fault in or disruption to our information technology systems could cause disruption to our business. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete. Failure to keep up to date with such changes could result in our competitors having an advantage over us, which could impact negatively upon both our financial performance and our reputation. Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could affect our results of operations and financial condition.

33. *Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

Due to unavailability of suitable updated reports in relation to all the segments/ value chain of the industry in which we operate, we have availed the services of an independent third party research agency, CRISIL Limited, to prepare an industry report titled "*Assessment and outlook on India's iron and steel industry*" dated June 2024 for purposes of inclusion of such information in this Preliminary Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the BRLM or any of our or their affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

34. ***Any failure to keep our technical knowledge confidential and protect our intellectual property could erode our competitive advantage.***

As at the date of this Placement document, in India we have registered our logo, LLOYDS METALS. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation, and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others.

Further, while we take care to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. While we have not been involved in any intellectual property disputes in the past, we cannot assure you that we will not be involved in such disputes in the future, including disputes relating to our pending trademark applications.

Any intellectual property claims, with or without merit, could affect our relationships with current or future customers, be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including enhanced statutory damages if we are found to have wilfully infringed intellectual property rights. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. While such claims by third parties have not been made to us historically, the occurrence of any of the foregoing could adversely affect our business operations and financial results.

35. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. As of March 31, 2024, we had a workforce of 2,692 personnel which comprised 1,402 employees, 369 permanent workers and 921 contract workers for our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

36. ***India has stringent labour legislations that protect the interests of workers.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Further, certain of our workers are represented by a labour union. Accordingly, our business may be subject to union demands and litigation for pay raises and increased benefits and it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

37. ***Currency exchange rate fluctuations may have an adverse effect on our results of operations and value of the Equity Shares.***

Our financial information is presented in Indian Rupees. However, we generate a portion of our sales internationally through export and sales outside of India. We also import certain raw materials and capital goods for our operations. These imports and exports are denominated in foreign currencies, primarily in U.S. dollars. Although we follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

Further, due to the time gap between the accounting of sales and actual payments, the foreign exchange rate at which the sale is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of Indian Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

The exchange rate between the Indian Rupee and the USD, Euro and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares.

A non-resident investor may not be able to convert Rupee proceeds into USD, Euro or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyse our value based on the USD or Euro equivalent of our financial condition and results of operations. For historical exchange rate fluctuations, see section entitled "*Exchange Rates Information*" beginning on page 22.

38. ***Information relating to our installed capacities and capacity utilization of our manufacturing plants included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity utilization may vary.***

The information relating to the installed manufacturing capacity, capacity utilization of our manufacturing plants included in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity and capacity utilization of our manufacturing plants. These assumptions and estimates relating to the installed manufacturing capacity include the standard capacity calculation practice of steel industry after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the manufacturing plants. Further, the assumptions and estimates taken specifically into account that the sponge iron (direct reduced iron) capacity of each kiln in TPD X 300 days per year for the Ghugus Manufacturing Plant. The installed capacity as well as capacity utilisation for the Konsari Manufacturing Plant has been annualized given that the facility was operational only from September 2023. Further, capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plants as of at the end of the relevant period. For further information, see sections entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 169 and 83, respectively.

Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our manufacturing plants and historical capacity utilization rates. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our manufacturing plants. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing manufacturing plants included in this Preliminary Placement Document. For further information, see sections entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 169 and 83, respectively.

39. ***We have in the past entered into related party transactions and may continue to do so in the future, which***

may potentially involve conflicts of interest with the equity shareholders.

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters and Directors. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future.

In Fiscals 2022, 2023 and 2024, the aggregate amount of such related party transactions was ₹ 97.68 crore, ₹ 934.26 crore and ₹ 3,103.53 crore, respectively. For details on our related party transactions, see section entitled "*Financial Statements*" beginning on page 250. While we have adopted a policy titled "Related Party Transactions Policy" read together with the Code of Conduct for Directors and Senior Management Executives, to address situations of conflict involving Directors and Promoters, especially in respect of related party transactions and those giving rise to conflict of interest, we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

40. ***Our Promoters will continue to retain a majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters will continue to hold approximately [●] % of our issued and paid-up Equity Share capital of our Company. Accordingly, our Promoters will continue to have significant influence over our business and all matters requiring Shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of the Promoters. Further, the Promoters' shareholding may limit the ability of a third party to acquire control of our Company.

41. ***We face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect our revenue from exports.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales from exports. While there have been no sanctions / penalties imposed by any foreign country which have had a material impact on our Company in the last three financial years, in the event any antidumping duty proceedings or any resulting penalties or any other form of import restrictions are imposed upon us, it may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting our sales from exports or limiting our opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on us in the future. In the event that such protective trade restrictions are imposed on us, our exports could decline. Further, a decrease in exports from India or an increase in steel imports to India as a result of protective trade restrictions could have a negative impact on our business, financial condition and results of operations.

42. ***A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce our market share and reduce margins on our products.***

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.

43. ***Competition from other materials or changes in the products or manufacturing processes of customers***

that use our iron ore or steel products, could reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or creating incentives for the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

In addition, the iron ore as well as the steel market is characterized by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use our iron ore or steel products may change from time to time due to improved technologies or product enhancements. These changes may require us to develop new products and enhancements for our existing products to keep pace with evolving industry standards and changing customer requirements. If we cannot keep pace with market changes and produce steel products or iron ore products that meet our customers' specifications and quality standards in a timely and cost-effective manner, our business, results of operations, financial condition and prospects could be materially adversely affected.

44. ***Our ability to pay dividends depends on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on a number of factors, including but not limited to accumulated profits, working capital requirements, capital expenditure requirements, capital investment requirements, cash flow and liquidity, debt services and leverage ratio, outstanding borrowing and repayment schedules, past dividend trends and other factors that may be considered relevant by the Board of Directors. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Company has declared and paid dividends on the Equity Shares in Fiscal 2022, 2023 and 2024. For details, please see the section entitled "*Dividends*" beginning on page 82.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. 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 and business prospects. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see section entitled "*Dividends*" beginning on page 82.

EXTERNAL RISK FACTORS

Risks Relating to India and Global Markets

45. ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India and globally.***

Our Company and Subsidiaries are incorporated in India, and our manufacturing operations are located in India. Further, majority of our customer base is in India. Our business and results of operations have been and continue to be affected by international, national and regional economic conditions. Unfavourable economic conditions in India or any of our key markets could have a material adverse effect on our business, results of operations, financial condition and prospects. As a result, we are highly dependent on prevailing economic conditions in India and the other key markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy in such countries, and hence our results of operations and cash flows, may include:

- any adverse change in the growth rate of the global economy;
- any increase in interest rates or inflation;
- any exchange rate fluctuations;

- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies, including import restrictions;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting the relevant country.

In particular, rates of economic growth have significant impacts on our consumers of steel and intermediate products, such as the automotive, infrastructure and the construction industries and declines in steel consumption caused by poor or unfavorable economic conditions in one or more of our major markets or by the deterioration of the financial condition of our key customers would have a material adverse effect on demand for our products and hence on our business and results of operations.

46. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic had caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

47. ***Changing regulations in India could lead to new compliance requirements that are uncertain.***

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition, cash flows and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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 impact the viability of our current business or restrict our ability to grow our business in the future. 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 inadvertent failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects.

48. ***Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.***

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

49. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

50. ***Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document.***

Our Financial Statements as of, and for the years ended, March 31, 2022, 2023 and 2024 incorporated in this Preliminary Placement Document have been prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

51. ***Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows.***

Our customers' and our borrowing costs and access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing, if any. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could adversely affect our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

52. ***The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.***

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

53. ***Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. Additionally, any restriction on foreign exchange may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

54. ***It may not be possible for investors to enforce any judgment obtained outside India against us or any of our Directors, Key Managerial Personnel and Senior Managerial Personnel in India respectively, except by way of a lawsuit in India.***

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All of our Key Managerial Personnel and Senior Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed 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 or 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 favour such final judgment is rendered may bring a new 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 in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

55. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the Competitive Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC 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.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, results of operations, financial condition and cash flows.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, inter alia, modified the scope of certain factors used to determine AAEC, introduced "deal value" as another criterion for notifying under the extant laws, reduced the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowered the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

Risks relating to our Equity Shares and the Issue

56. ***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

57. ***Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of the Equity Shares.***

A future issuance of Equity Shares by us may dilute your shareholding in the Issuer. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Issuer. Further, the proposed Preferential Issue will also lead to dilution of your shareholding in our Company.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Issuer, which could lead to a negative sentiment in the market regarding the Issuer that could in turn impact the value of the Equity Shares.

58. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

59. ***The price of the Equity Shares may be volatile.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, results of operations and financial condition. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

60. ***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 can start 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 traded on BSE and NSE, 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. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

61. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in this Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**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.

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

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

MARKET PRICE INFORMATION

As at the date of this Preliminary Placement Document, 505,253,535 Equity Shares have been issued, subscribed and fully paid up. The Equity Shares have been listed on BSE and NSE since February 27, 1987, and July 17, 2023, respectively. Our Company was also listed on MSE Exchange from September 18, 2017 and later got voluntarily delisted from the exchange on December 06, 2023. The Equity Shares are listed and traded on NSE under the symbol LLOYDSME and BSE under the scrip code 512455.

On July 3, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 738.90 and ₹ 738.60 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been provided separately.

The following table sets forth the high, low and average of the closing prices and trading volumes of the Equity Shares on the Stock Exchanges as on the date on which such high and low prices were recorded for Fiscal 2024, 2023 and 2022.

BSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the year (₹) (3)**
2024	667.60	August 8, 2023	1,88,714	12,41,29,884.00	279.70	April 24, 2023	1,11,630	3,14,22,155.00	508.69
2023	314.80	March 10, 2023	1,78,867	5,60,09,327.00	129.50	June 20, 2022	1,95,976	2,54,36,295.00	196.36
2022	144.40	February 3, 2022	2,92,662	42,661,479.00	11.04	April 5, 2021	7,404	81,571.00	75.69

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE*									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the year (₹) (3)**
2024	602.00	March 28, 2024	5,72,010	35,15,19,474.55	515.45	October 31, 2023	1,05,397	5,45,73,701.75	572.19

**Our Company has been listed on NSE since July 17, 2023. Hence, the information prior to that is not available on NSE.*
(Source: www.nseindia.com)
Note:
1. High and low prices are based on the daily closing price, for the respective period.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.
3. In case of a month, average price for the month represents the average of the closing prices on each day of each month.

The following tables set forth the reported high, low and average closing prices and trading volume of Equity Shares on the Stock Exchanges traded on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable

BSE										
Mont h,	**Hig h**	**Date of**	**Numb er of**	**Total turnover**	**Lo w**	**Date of**	**Numb er of**	**Total turnover**	**Avera ge**	**Equity Shares traded in the**

Year	(₹)	High	Equity Shares traded on the date of the high	of Equity Shares traded on date of high (₹)	(₹)	Low	Equity Shares traded on the date of the low	of Equity Shares traded on date of low (₹)	price for the month (₹)	month	
										Volume	Turnover (₹)
June 2024	747.10	June 18, 2024	1,07,327	8,09,06,349.00	629.40	June 4,2024	52,057	3,31,73,140.00	714.01	8,73,548	62,84,37,041.00
May 2024	738.50	May 2, 2024	93,831	6,95,97,593.00	664.05	May 9, 2024	52,318	3,49,32,291.00	695.71	7,21,179	50,58,48,543.00
April 2024	744.05	April 30, 2024	40,656	3,01,95,709.00	599.85	April 1, 2024	1,00,948	6,11,99,377.00	686.12	11,69,328	80,01,59,641.00
March 2024	607.90	March 4, 2024	1,19,032	7,17,45,486.00	540.40	March 13, 2024	1,88,995	10,31,17,353.00	581.60	18,28,708	1,05,24,22,300.00
February 2024	596.75	February 26, 2024	58,858	3,51,86,729.00	532.90	February 13, 2024	20,307	1,08,94,207.00	565.87	9,90,345	56,41,56,632.00
January 2024	604.00	January 1, 2024	37,168	2,24,26,212.00	566.45	January 31, 2024	51,262	2,90,55,472.00	584.97	9,44,723	55,75,33,306.00

(Source: www.bseindia.com*)*

Note:

1. *High and low prices are based on the daily closing price, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a month, average price for the month represents the average of the closing prices on each day of each month.*

NSE											
Month, Year	High (₹)	Date of the high	Number of Equity Shares traded on the date of the high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of Low	Number of Equity Shares traded on the date of the low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹)
June 2024	747.70	June 18, 2024	13,79,684	104,29,68,089.25	630.35	June 04,2024	6,44,929	41,15,07,107.95	714.08	87,95,358	636,27,61,628.75
May 2024	739.20	May 2, 2024	8,43,233	62,65,46,592.05	663.75	May 9, 2024	2,76,538	18,46,99,181.55	696.03	63,42,129	445,98,96,486.65
April 2024	742.20	April 30, 2024	6,42,198	47,64,54,337.15	600.80	April 1, 2024	1,37,741	8,31,88,288.10	686.41	1,00,81,798	699,70,52,701.10
March 2024	609.80	March 27, 2024	6,20,894	37,32,03,226.45	540.35	March 13, 2024	5,69,554	30,92,95,631.95	581.76	94,60,825	546,07,47,541.30
February 2024	595.95	February 26, 2024	3,77,039	22,56,29,388.50	531.95	February 13, 2024	1,71,700	9,20,29,814.90	565.60	62,47,809	356,96,32,021.45
January 2024	603.80	January 01, 2024	1,50,418	9,08,89,300.00	566.05	January 30, 2024	2,33,920	13,38,77,370.75	584.76	56,07,479	330,89,60,645.15

(Source: www.nseindia.com*)*

Note:

1. High and low prices are based on the daily closing prices for the respective period.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.
3. In case of a month, average price for the month represents the average of the closing prices on each day of each year.

The following tables set forth market price on the Stock Exchanges as on March 22, 2024, the first working day following the approval dated March 21, 2024 of our Board for this issue:

Date	Open (₹)	High (₹)	Low(₹)	Close(₹)	Number of Equity Shares traded	Turnover (₹)
BSE	595.00	595.00	575.40	578.05	14,567	8,523,068.00
NSE	590.00	596.95	575.10	579.15	99,948	5,85,39,286.95

(Source: www.bseindia.com and www.nseindia.com)

Note: In the event the high or low or closing price of the Equity shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter

USE OF PROCEEDS

The gross proceeds from this Issue will aggregate up to ₹ [●] crore. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹ [●] crore ("**Net Proceeds**").

Purpose of this Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for the following:

1. Setting up a 4 MTPA pellet plant at Konsari, Maharashtra; and

2. General corporate purposes.

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

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

(in ₹ crore)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds
1.	Setting up a 4 MTPA pellet plant at Konsari, Maharashtra;	916.13
2.	General corporate purposes[(1)]	[●]
Total Net Proceeds		**[●]**

[(1)] The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of our Company enables us to undertake the (i) activities presently carried out by our Company; and (ii) activities proposed to be funded from the Net Proceeds.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of implementation and deployment of Net Proceeds

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

(in ₹ crore)

Sr. No	Particulars	Total Estimated Cost*	Amount which will be financed from Net Proceeds	Proposed schedule for deployment of the Net Proceeds in Fiscal 2025
1.	Setting up a 4 MTPA pellet plant at Konsari, Maharashtra;	1,829.00	916.13	916.13
2.	General corporate purposes[(1)]	NA	[●]	[●]
	Total	-	**[●]**	[●]

** Total estimated cost is as per the detailed project report dated May 6, 2024, prepared by KORUS Engineering Solutions Private Limited.*
[(1)] To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds and Issue related expenses in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year or if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be determined by our Company, in accordance with applicable laws.

Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue.

Details of the Objects

1. **Setting up a 4 MTPA pellet plant at Konsari, Maharashtra ("Konsari Project");**

As of the date of this Preliminary Placement Document, our Company operates a sponge iron manufacturing plant at Konsari, Maharashtra and has the mining lease rights for the Surjagarh Mining Complex. In accordance with our business strategies and growth plans to achieve forward integration, we propose to set up a 4.00 MTPA pellet plant at Konsari, Maharashtra along with an iron ore and grinding unit, primarily for the production of blast furnace and DRI grade pellets.

We will also be setting up an iron ore and grinding unit as part of the Konsari Project. The iron ore pellets produced may be sold by us as well as utilised by our existing sponge iron manufacturing plants.

Our Board of Directors at their meeting held on April 25, 2023 have approved the proposed Konsari Project.

As part of setting up of the pellet plant, we will incur expenditure towards land and site development, building and civil work, plant and equipment, utilities and services, engineering, consultancy, project management and others.

Land and Utilities

The land on which we will be setting up the pellet plant is on a plot bearing number No. A-1, Chamorshi Industrial Area, Konsari 442 707, Gadchiroli, Maharashtra which has been leased by our Company for a period of 95 years from MIDC, beginning from 2019.

Water requirements will be sourced from our existing reservoir at the Konsari sponge iron manufacturing plant.

For electricity, we will be relying on our existing power substations at Konsari, Maharashtra.

Means of finance

The total estimated cost for the Konsari Project is ₹ 1,829.00 crore.

We intend to fund the estimated cost for the proposed Konsari Project is as follows:

Particulars	Amount (in ₹ crore)
Total estimated cost for capacity Expansion (A)*	1,829.00
(less) Amount deployed by the Company as of June 25, 2024 (B)**	858.71
(less) Contingency (C)***	39.16
Balance amount to be incurred (D) = (A-B-C)	931.13
Amount funded/to be funded from internal accruals (*excluding any amount deployed by the Company as of June 25, 2024, as mentioned in B above*) (E)****	15.00
Amount to be funded from Net Proceeds (D-E)	**916.13**

** Total estimated cost is as per the detailed project report dated May 6, 2024, prepared by KORUS Engineering Solutions Private Limited.*
***As certified by Azim Wahid Khan, Independent Chartered Engineer pursuant to certificate dated July 2, 2024.*
**** Contingency is as per the detailed project report dated May 6, 2024, prepared by KORUS Engineering Solutions Private Limited.*
*****Cash and bank balance as on June 25, 2024 has been certified by the Statutory Auditor, pursuant to certificate dated July 4, 2024.*

Estimated Cost

The total estimated cost for the project is ₹ 1,829.00 crore as per the detailed project report dated May 6, 2024, prepared by KORUS Engineering Solutions Private Limited. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the Konsari Project, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution**.**

The total estimated cost comprises the following:

Sr. No.	Particulars	Total estimated cost (in ₹ crore) (1)(2)
1.	Land and site development	23.90
2.	Civil and structural works	386.73
3.	Main plant and equipment	1,033.72
4.	Miscellaneous fixed assets	243.28
5.	Engineering, consultancy and project management	47.85
6.	Preliminary and pre-operative expenses	54.36
7.	Contingency	39.16
	Total	**1,829.00**

(1) Total estimated cost is as per the detailed project report dated May 6, 2024, prepared by KORUS Engineering Solutions Private Limited.
(2) All above costs are inclusive of applicable GST.

Government Approvals

We are required to obtain various approvals from governmental, regulatory and statutory authorities including environmental clearances, consent to operate and consent to establish and approvals for utilities for the Konsari Project. Certain of these approvals have been received and the remaining will be applied for in due course. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. Set out below is the status of the material approvals required by our Company in connection with the Konsari Project:

Authority	Initial Approvals		Final Approvals	
	Nature of Approval	Status	Nature of Approval	Stage at which approval is required
Maharashtra Pollution Control Board	Consent for establishment	Obtained	Consent to operate	Upon completion of construction and before commissioning
Maharashtra Industrial Development Corporation	Sanction Plan	Obtained	Area Drg with green belt	Before commissioning

Ministry of Environment and Forests	Approval for setting up of the pellet plant	Obtained	Final no objection certificate	Before commissioning

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] crore, towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations, the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, subject to compliance with applicable law, including provisions of the Companies Act.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency for monitoring the utilisation of Gross Proceeds as the size of our Issue exceeds ₹ 100.00 crore. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Gross 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 utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such 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 Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) 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 actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Interim Use of Proceeds

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Other Confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither our Promoters or our Promoter Group or our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters or our Promoter Group nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly.

Since the Issue is only made to Eligible QIBs, our Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management Personnel.

CAPITALISATION STATEMENTS

The table below sets forth our Company's capitalisation as at March 31, 2024 which has been derived from the Audited Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof. You should read this table together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 83 and the financial statements included in "*Financial Statements*" beginning on page 250.

(*in ₹ crore, except ratios)*

Particulars	Pre-Issue as at March 31, 2024 (1)	As adjusted for the Issue*
Borrowings		
Current borrowings	Nil	[•]
Non-current borrowings	Nil	[•]
Total Borrowings (A)	**Nil**	**[•]**
Equity		
Equity Share Capital	50.53	[•]
Other equity (excluding securities premium)	1,246.48	[•]
Securities premium account	1,513.86	[•]
Total Equity (B)	**2,810.87**	**[•]**
Total capitalization (A+B)	**2,810.87**	[•]
Ratios: Total Borrowings/ Total Equity (A/B)	**NA**	[•]

Note: The amounts have been derived from the Audited Consolidated Financial Statements.
**The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Issue and hence, the same have not been provided in the above statement.*

CAPITAL STRUCTURE

The Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹, except share data)

		Aggregate nominal value at face Value
A	**AUTHORIZED SHARE CAPITAL**	
	75,00,00,000 Equity Shares of face value ₹1 each	75,00,00,000
	2,50,00,000 Preference Shares of face value ₹10 each	25,00,00,000
B	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	50,52,53,535 Equity Shares of face value ₹1 each	50,52,53,535
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**(1)	
	Up to **[●]** Equity Shares aggregating to ₹ **[●]** crore(1)(2)	**[●]**
D	**ISSUED AND SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value ₹1 each	**[●]**
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	15,13,86,33,935
	After the Issue(2)(3)	**[●]**

(1) This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on March 21, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot dated April 27, 2024.

(2) To be determined upon finalisation of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of Gross Proceeds of the Issue. Adjustments do not include Issue related expenses.

Equity Share Capital History of our Company:

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of Allotment	No. of equity shares allotted	Face Value per equity share (₹)	Issue Price per equity share (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of equity shares
March 21, 1977*	100	100	100.00	Cash	Subscription to the Memorandum of Association	100
October 18, 1977	3,910	100	100.00	Cash	Preferential Allotment	4,010
November 1, 1977	1,000	100	100.00	Cash	Preferential Allotment	5,010
December 7, 1978	1,490	100	100.00	Cash	Preferential Allotment	6,500
October 18, 1979	3,500	100	100.00	Cash	Preferential Allotment	10,000
May 5, 1980	10,000	100	100.00	Cash	Preferential Allotment	20,000
The equity shares of face value ₹100 each of our Company were sub-divided into Equity Shares of ₹10 each on August 8, 1986. Consequently, the issued, subscribed and paid up capital of our Company, comprising 20,000 equity shares of ₹100 each was sub-divided into 2,00,000 equity shares of ₹10 each.						2,00,000
December 9,	3,00,000	10	10.00	Cash	Initial public	5,00,000

Date of Allotment	No. of equity shares allotted	Face Value per equity share (₹)	Issue Price per equity share (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of equity shares
1986					offering	
March 21, 1989	5,00,000	10	10.00	Cash	Rights Issue	10,00,000
June 14, 1994	40,05,900	10	10.00	Cash	Rights issue	50,05,900
February 14, 1995	50,05,900	10	10.00	Other than cash	Bonus issue	1,00,11,800
March 2, 1995	9,75,000	10	185.00	Cash	Private placement	1,09,86,800
April 17, 1995	56,69,333	10	50.00	Cash	Rights issue of 22,67,733 equity shares, preferential allotment of 33,81,000 equity shares and allotment of 20,600 equity shares to 135 employees of the Company	1,66,56,133
May 16, 1996	(3,97,875)	10	10.00	-	Forfeiture	1,62,58,258
July 13, 2006	50,00,000	10	Not applicable**	Not applicable	Conversion of preference shares	2,12,58,258
The equity shares of face value ₹10 each of our Company were sub-divided into Equity Shares of ₹2 each on October 11, 2007. Consequently, the issued, subscribed and paid up capital of our Company, comprising 21,258,258 equity shares of ₹10 each was sub-divided into 106,291,290 equity shares of ₹2 each.						10,62,91,290
November 25, 2008	5,000,000	2	18.40	Cash	Preferential Allotment	11,12,91,290
Pursuant to resolution of our Board dated April 14, 2016 and Shareholder's resolution dated June 10, 2016, equity shares of face value ₹2 each of our Company were sub-divided into Equity Shares of ₹1 each. Consequently, the issued, subscribed and paid up capital of our Company, comprising 11,12,91,290 equity shares of ₹2 each was sub-divided into 22,25,82,580 equity shares of ₹1 each.						22,25,82,580
August 3, 2019	25,95,820	1	4.00	Cash	Allotment to Lloyds Employees Welfare Trust pursuant to the ESOP Scheme 2017	22,51,78,400
July 31, 2020	1,20,00,000	1	7.50^	Cash	Conversion of Warrants	23,71,78,400
August 21, 2020	25,70,820	1	4.00	Cash	Allotment to Lloyds Employees Welfare Trust pursuant to the ESOP Scheme 2017	23,97,49,220
August 22, 2020	1,20,00,000	1	7.50^^	Cash	Conversion of Warrants	25,17,49,220
June 23, 2021	2,66,50,000	1	7.50	Cash	Conversion of OFCDs	27,83,99,220
June 28, 2021	9,00,00,000	1	20.00	Cash	Preferential Allotment	36,83,99,220

Date of Allotment	No. of equity shares allotted	Face Value per equity share (₹)	Issue Price per equity share (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of equity shares
September 8, 2021	3,20,000	1	4.00	Cash	Allotment to Lloyds Employees Welfare Trust pursuant to the ESOP Scheme 2017	36,87,19,220
April 29, 2022	6,60,00,000	1	9.47^^^	Cash	Conversion of Warrants	43,47,19,220
April 29, 2022	1,00,00,000	1	20.00	Cash	Conversion of OFCDs	44,47,19,220
November 15, 2022	1,05,000	1	4.00	Cash	Allotment to Lloyds Employees Welfare Trust pursuant to the ESOP Scheme 2017	44,48,24,220
March 16, 2023	6,00,00,000	1	204.35**	Not applicable***	Conversion of OFCDs	50,48,24,220
December 18, 2023	4,29,315	1	4.00	Cash	Allotment to Lloyds Employees Welfare Trust pursuant to the ESOP Scheme 2017	50,52,53,535

**The date of incorporation of our Company is April 5, 1977.*
*** Consideration was paid at the time of allotment of preference shares and no consideration was paid at the time of conversion.*
**** OFCDs were allotted to Sunflag Iron and Steel Co Limited, pursuant to an arbitration award April 22, 2022 read with a supplemental award dated April 28, 2022.*
^ Part consideration of ₹1.875 per security was paid at the time of allotment of warrants and the balance amount (including premium) was paid at the time of conversion of the warrants.
^^ Part consideration of ₹1.875 per security was paid at the time of allotment of warrants and the balance amount (including premium) was paid at the time of conversion of the warrants.
^^^ Part consideration of ₹1.875 per security was paid at the time of allotment of warrants and the balance amount (including premium) was paid at the time of conversion of the warrants.
Note: Certain corporate records of our Company such as form filings, resolutions, letters of offer and/or acceptance/ renunciation letters in relation to certain allotments/ transfer of equity shares of our Company are not traceable. For further details, see "Risk Factor – Our Company was incorporated in 1977 and we are unable to trace some of our historical corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation" beginning on page 50.

Further, subject to the approval of our Shareholders, our Board of Directors at their meeting held on July 4, 2024, have approved an issue of up to ₹ 4.00 crores convertible warrants of the Company on a preferential basis ("**Preferential Issue**") of which 1.50 crores convertible warrants is proposed to be issued to the Promoters and balance to others / non-promoters of the Company, towards raising of additional capital by the Company pursuant to Section 42, 62 of the Companies Act, 2013 and as per the SEBI ICDR Regulations. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments after March 31, 2024" beginning on page 110.*

Pre-Issue and post-Issue equity shareholding pattern

The following table provides the pre-Issue shareholding pattern as of June 28, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	3,57,21,720	7.07	[●]	[●]
	Bodies corporate	29,61,98,554	58.62	[●]	[●]

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	Sub-total	**33,19,20,274**	**65.69**	**[●]**	**[●]**
2.	Foreign promoters	0.00	0.00	[●]	[●]
	Sub-total (A)	**33,19,20,274**	**65.69**	**[●]**	**[●]**
B	**Non-Promoter holding**				
1.	Institutional investors	59,64,176	1.18	[●]	[●]
2.	Body Corporates	11,09,63,527	21.96	[●]	[●]
	Resident Individuals	5,42,39,221	10.74		
	Key Managerial Personnels	1,10,183	0.02	[●]	[●]
	Relatives of Promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	478,654	0.09	[●]	[●]
	Others including Non-resident Indians (NRIs)	14,51,518	0.29	[●]	[●]
	Sub-total (B)	**17,32,07,279**	**34.28**	**[●]**	**[●]**
3.	Non-Promoter and Non-Public (C)	1,25,982	0.02	[●]	[●]
	Grand Total (A+B+C)	**50,52,53,535**	**100.00**	**[●]**	**[●]**

^*Based on beneficiary position data of our Company as on June 28, 2024.*
**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Includes shareholding of our Promoter Group as well.*

Employee stock option plans instituted by our Company

Pursuant to a resolution of our Board dated August 7, 2017, and as approved by the shareholders resolution on September 19, 2017, our Company approved the "Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017" ("**ESOP Scheme 2017**") to provide for the grant of options to the employees of our Company who meet the eligibility criteria under the plan. The plan envisaged came into force on September 19, 2017 and has been subsequently amended by way of resolution passed by the Nomination and Remuneration Committee dated January 12, 2024.

The details of ESOP Scheme 2017, as on the date of this Preliminary Placement Document, are as under:

Particulars	Number of stock options
Total number of stock options	1,11,29,129
Stock options granted	1,22,12,490
Total number of stock options valid	46,28,660
Stock options vested and remain unexercised	1,09,322
Stock options exercised	59,11,633
Stock options lapsed / forfeited/ cancelled	15,62,875
Total stock options outstanding	46,28,660

Other confirmations

(i) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders, i.e., March 21, 2024, for approving the Issue.

(ii) Except as disclosed under "– *Employee stock option plans instituted by our Company*", there are no outstanding warrants, options, or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

(iii) As on the date of this Preliminary Placement Document, our Company does not have outstanding preference shares.

(iv) Except as stated above, our Company has not made any allotment of Equity Shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

(v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue pursuant to one or more special resolutions. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

(vi) There would be no change in control in our Company consequent to the Issue.

(vii) The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the Book Running Lead Manager to the Eligible QIBs only.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" beginning on page 402.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements under Ind AS 24 notified under the Ind AS Rules read with Section 133 of the Companies Act, please see the section entitled "*Financial Statements*" beginning on page 250.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and the Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on March 30, 2022, in terms of Regulation 43A of the SEBI Listing Regulations. The declaration and payment of dividends will be recommended by our Board and approved by our shareholders and will depend on a number of factors, including but not limited to accumulated profits, working capital requirements, capital expenditure requirements, capital investment requirements, cash flow and liquidity, debt services and leverage ratio, outstanding borrowing and repayment schedules, past dividend trends and other factors that may be considered relevant by the Board of Directors. The Board may also from time to time declare and pay interim dividends. Our Board has approved and adopted a formal dividend distribution policy on March 30, 2022, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see "*Description of the Equity Shares*" on page 230 of this Preliminary Placement Document.

The following table details the dividend declared and paid by our Company on the Equity Shares in respect of Fiscals 2024, 2023, and 2022:

Particulars	Fiscal 2024*	Fiscal 2023	Fiscal 2022
Face value of Equity Shares (in ₹)	1	1	1
Aggregate dividend on Equity Shares (in ₹ crore)	50.53	NA	22.24
Dividend per Equity Share (in ₹)	₹1	NIL	₹0.50
Rate of dividend (%)	100	NA	50
Dividend Distribution Tax (%)	Nil	Nil	Nil
Dividend Distribution Tax (in ₹)	Nil	Nil	Nil
Mode of payment of dividend	ECS	N.A.	ECS and warrants/ DD

**Subject to the approval of our Shareholders and in terms of applicable laws, our Board has approved the dividend of ₹1 per Equity Share for Fiscal 2024.*

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Financial Year in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" beginning on page 230. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see section entitled "*Risk Factors*" beginning on page 42.

MANAGEMENT'S DISCUSSION OF ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our "Financial Statements" on page 250. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Statements" beginning on page 250.

This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" beginning on page 18 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" and " – Significant Factors Affecting our Results of Operations and Financial Condition" beginning on pages 42 and 85, respectively, 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 year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise stated or the content otherwise requires, references in this section to "our Company" or "the Company" are to Lloyds Metals and Energy Limited on a standalone basis, while references to "we", "us", or "our" (including in the context of any financial or operational information) are to Lloyds Metals and Energy Limited on a consolidated basis. Also, see "Definitions and Abbreviations" beginning on page 23 for certain terms used in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment and outlook on India's iron and steel industry" dated June 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation.*

Unless otherwise indicated, 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 calendar year. For further information, see "Industry Overview" beginning on page 83. For further information, see "Risk Factors –Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 56. Also see "Industry and Market Data" beginning on page 17.

OVERVIEW

We are one of the largest iron ore miner by volume in India (*Source: CRISIL Report*) with a permitted extraction capacity of 10 million tonne per annum ("**MTPA**"), as of March 31, 2024. We are also one of the top five merchant miner in India (*Source: CRISIL Report*). Our Company has been granted the iron ore mining rights over an area of 348.09 Ha. at Surjagarh Village, Maharashtra ("**Surjagarh Mining Complex**"), with a lease period of 50 years which is valid till 2057. As on March 31, 2024, the Surjagarh Mining Complex has resources (proved and probable) of 157 million tonne of hematite ore and 706 million tonne of banded hematite quartz (*Source: CRISIL Report*). Our iron ore reserves are processed in both lump ore and fine ore.

The Surjagarh Mining Complex was allocated to us by the Government of Maharashtra through a mining lease in the year 2007. Being an allocated mine, our Company is not required to pay any additional premium to the Government of Maharashtra during the period of the lease. Further, the mine is strategically located at the centre of India, which provides us access to several steel plants in India, enabling us to efficiently cater to client needs nationwide.

We also manufacture sponge iron, catering to the metallic requirements of steel producers in select geographies in India through our two sponge iron manufacturing plants located at Ghugus, Maharashtra and Konsari, Maharashtra. At our sponge iron manufacturing facilities, we operate seven rotary kilns having an aggregate annual installed capacity of 0.34 MTPA as of March 31, 2024. The strategic location of our sponge iron manufacturing facility and proximity to our Surjagarh Mining Complex aids our access to quality iron ore, which is one of the primary raw materials for sponge iron manufacturing. We believe our continued focus on enhancing productivity, resource optimization, and yield maximization have enabled us to achieve high levels of capacity utilization in the sponge iron manufacturing business. Accordingly, the aggregate sponge iron capacity utilization at our sponge iron manufacturing facilities for Fiscals 2022, 2023 and 2024 was 43.34%, 75.62% and 85.90%, respectively. Our Company has also entered into arrangements for trading of iron pellets.

To support the power requirements of our sponge iron manufacturing facilities, we have set-up two captive power plants with a combined capacity of 34 MW, as of March 31, 2024, that generate power utilizing the waste heat emanating from our kilns during the sponge iron manufacturing process as well as coal waste generated. Our captive power plants can operate on dual fuels, enabling us to utilise 'green' fuels such as, waste, rejects, heat and gas generated from our operations to produce electricity thereby lowing our power costs. This source of 'green' power through waste heat recovery boilers ("**WHRBs**") enables us to reduce our dependence on thermal power generated through additional fossil fuel, which helps control our carbon emissions. In Fiscals 2022, 2023 and 2024, power units produced from our captive power plants accounted for 58.03%, 69.93% and 77.71%, respectively, of our total power units consumed. Any surplus power generated from our plants, is sold by us, serving an additional source of revenue.

Set forth below are our revenue from operations from each of our product segments for Fiscals 2024, 2023 and 2022:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	(₹ in crore)		
Sponge Iron	827.48	748.99	445.41
Mining	5,283.19	2,651.10	237.97
Power	117.82	66.68	43.87
Trading of Pellet	346.08	-	-
Total	**6,574.57**	**3,466.77**	**727.25**

We are also in the process of: (i) augmenting our mining extraction capacity to 55 MTPA (including banded hematite quartz) from 10 MTPA, as of March 31, 2024; (ii) increasing the capacities of our existing sponge iron manufacturing plant at Ghugus, Maharashtra to 0.70 MTPA from 0.34 MTPA, as of March 31, 2024; and (iii) increasing the capacities of our captive power plants to 504 MW from 34 MW as of March 31, 2024 pursuant to the expansion of the sponge iron manufacturing plant at Ghugus, Maharashtra; (iv) setting-up a pellet plant and a grinding and pumping unit at our Konsari Manufacturing Plant; (v) laying down a 85 km long slurry pipeline from Hedri, Maharashtra to Konsari, Maharashtra and 190 km long slurry pipeline from Hedri, Maharashtra to Ghugus, Maharashtra; (vi) setting up an 1.2 MTPA wire rod unit at Ghugus, Maharashtra; (vii) setting up an integrated 3 MTPA steel plant at Konsari, Maharashtra; and (viii) setting up a beneficiation plant of 45 MTPA Hedri, Maharashtra. Our expansion activities will provide us forward integration to become a steel manufacturer in the upcoming years, as well increase our operational efficiencies and enhance our capabilities, which we believe will position us as a complete player in the steel industry. For details, see "*Use of Proceeds*" on page 70.

The commencement of our mining operations in October 2021 has led to a rise in our revenue from operations. Our ROCE was exceptionally better in Fiscal 2023 as compared to Fiscal 2022 as we paid all our debt on our books, while reaping benefits of better returns from the sale of iron ore (*Source: CRISIL Report*).The following table sets forth certain financial information of our Company, for the years indicated, on a consolidated basis:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Revenue from Operations	6,574.59	3,466.76	727.25
Y-o-Y growth	89.65%	376.69%	166.09%
Profit for the year	1,242.93	(288.55)	97.37
PAT Margin (%)[(1)]	18.75%	25.58%	19.64%
EBITDA [(2)]	1,781.21	884.75	175.28
EBITDA Margin (%) [(3)]	27.09%	25.52%	24.10%
Gross Debt to Equity Ratio (in times)	0.00	0.00	0.21
ROCE (%) [(4)]	59.79%	55.47%	22.30%

Note:

(1) PAT Margin is the percentage of profit for the year divided by revenue from operations.

(2) EBITDA is calculated by adding profit for the year, other income (net), depreciation and amortisation, total tax expense and exceptional items;

(3) *EBITDA Margin is the percentage of EBITDA divided by revenue from operations;*
(4) *Return on Capital Employed has been calculated as earning before interest and taxes divided by capital employed.*

We are led by our Promoters, Mukesh Rajnarayan Gupta, Babulal Agarwal, Rajesh Rajnarayan Gupta and Balasubramanian Prabhakaran, who have several decades of experience in the mining and steel industry and have been instrumental in the growth of our Company. Further, Thriveni Earthmovers Private Limited, our corporate promoter, is a diversified miner with operations and projects executed across geographies. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the mining and steel industry. As of March 31, 2024, we had a workforce of 2,692 personnel which comprised 1,402 employees, 369 permanent workers and 921 contract workers for our operations.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Loss of our suppliers or a failure by our suppliers to deliver some of our primary raw materials

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We procure all of our primary raw materials, such as, coal and dolomite on a purchase order basis, and have not entered into long term contracts for the supply of such raw materials. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, amongst other reasons, our inability to predict the increased demand for our products. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. Since we also import a certain amount of raw materials from international suppliers, we remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay. Further, restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations**.**

Stable and reliable logistics and transportation infrastructure

Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations. We depend primarily on railways / roads to transport the raw materials for such manufacturing units. We also utilize third party transportation services by road, on hire, for transport of raw materials and our products from/ to our suppliers and customers. Further, we rely on the freight ships for the transport of imported coal as well as for export of our products. Transportation by rail, road or ship, as the case may be, involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, allotment of rakes, allotment of berths for cargo ships for our imports and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic. Any delay or disruption caused to the transportation of raw materials or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials and this may also resultantly increase our cost.

Demand and pricing in the iron ore, sponge iron and steel industries

The merchant sponge iron (also known as direct reduced iron or DRI) manufacturing industry is highly fragmented, and we face competition from a number of marginal players, having low production capacities, based in Eastern India. While most of the sponge iron manufacturers are also integrated manufacturers that focus on steel making, they also sell sponge iron in the market on an intermittent basis. We believe that our position in relation to our competitors will depend upon our ability to anticipate and respond to various competitive factors facing our industry, including product quality, pricing strategies, our ability to source raw materials cost effectively and increase production efficiencies. Further, we may also be affected by competition faced by our customers and end-users. Sponge iron prices and steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply, international production and capacity, fluctuation in the volume of imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

CRISIL estimates that moderation in long-steel demand growth to 4-6% on a high base, which is set to impact DRI production growth in Fiscal 2025. The output is expected to witness a moderate 5-7% growth on-year to 53-55 MT on a high base. Government housing schemes such as PMAY-Urban are nearing conclusion and a slowdown in the growth of allied sectors is expected to impact the DRI output. Falling thermal coal prices and improved availability will support production. In the first half, long-steel demand growth is expected to slow down because of monsoons and labour shortages. (*Source: CRISIL Report*)

Unexpected loss, shutdown or slowdown of operations at our mine or any of our plants

Our mining operations and our manufacturing plants are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our mine and at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems. Any unscheduled, unplanned or prolonged disruption of our mining operations due to natural disasters or our manufacturing operations, due to power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production at one or more manufacturing plant to shut down or slowdown. We have in the past faced such instances. For further details, please see the section titled "*Risk Factors*" on page 42.

We have in the past faced issues in operating our Surjagarh mining operations due to political extremism and related security issues, leading to loss of lives of certain employees and destruction of our equipment. These incidents have led us to have intermittent mining operations at Surjagarh between 2007 and 2021. However, we have not faced any such security incidents in the past three financial years.

NON-GAAP MEASURES

Certain metrics such as EBITDA, Operational EBITDA, EBITDA Margin, PAT Margin and Return on Equity ("**Non-GAAP Measures**"), presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Such Non-GAAP Measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical information relating to our operations and financial performance are not standardized terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further information, see "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document*." beginning on page 63.

Reconciliation of Non-GAAP Measures

Reconciliation for certain non-GAAP measures included in this Preliminary Placement Document are given below:

Reconciliation from Profit for the year to EBITDA, Operational EBITDA and EBITDA Margin

The table below reconciles profit for the year to EBITDA, Operational EBITDA and EBITDA Margin. EBITDA is calculated by adding profit for the year, other income (net), depreciation and amortisation, total tax expense and exceptional items, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Profit for the year (I)	**1,242.93**	**(288.55)**	**97.37**
Finance Costs (II)	(5.68)	(65.04)	(18.14)
Other Income (III)	52.94	74.46	29.75
Less: Other income (net) (IV=II+III)	47.26	9.42	11.61
Add: Exceptional Items (V)	0	1,194.40	51.36
Add: Depreciation and amortisation (VI)	48.99	23.00	17.98
Add: Total tax expense (VII) Expense/(Income)	483.60	(109.14)	(9.51)
Operational earnings before interest, taxes, depreciation and amortisation expenses (“Operational EBITDA”) (VIII = I+IV+V+VI+VII)	**1,728.26**	**810.29**	**145.52**
Revenue from Operations (IX)	6,574.59	3,466.76	727.25
EBITDA Margin% (X) = (VIII/IX)	**26.29%**	**23.37%**	**20.01%**

Reconciliation from Profit for the year to PAT Margin

The table below reconciles profit for the year to PAT Margin. PAT Margin is the percentage of profit for the year divided by revenue from operations.

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Profit for the year (I)	**1,242.93**	**(288.55)**	**97.37**
Revenue from operations (II)	6,574.59	3,466.76	727.25
PAT Margin% (III) = (I/II)	**18.91%**	**(8.32)%**	**13.39%**

Reconciliation from Profit for the year to Return on Equity

Particulars	**As at/ For the year ended March 31,**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Profit for the year (I)	1,242.93	(288.55)	97.37
Opening total equity (II)	1,528.95	481.58	182.11
Closing total equity (III)	2,810.87	1,528.95	481.58
Average total equity (IV)=(II+III)/2	2169.91	1005.27	331.85
Return on Equity % (V)=(I/IV)	**57.28 %**	**(28.70) %**	**29.34%**

BASIS OF PREPARATION

The consolidated financial statements for Lloyds Metals and Energy Limited and its subsidiaries are prepared in accordance with Indian Accounting Standards (“**Ind AS**”), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (“**the Act**”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India

(SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported.

Historical cost convention the financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;

- Defined benefit plans – plan assets measured at fair value;

MATERIAL ACCOUNTING POLICIES

Revenue recognition

The Company recognizes revenue in accordance with Ind- AS 115. Revenue is recognised upon transfer of control of promised goods to customers i.e., when the performance obligation gets fulfilled in an amount that reflects the consideration which the company expects to receive in exchange for that particular performance obligation. Revenue is measured based on the transaction price, which is the net of variable consideration, adjusted for discounts, price concessions, and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Sale of Goods

Revenue from the sale of manufactured and traded goods is recognised when significant risks and rewards of ownership of goods have been transferred, effective control over the goods no longer exists with the Company, amount of revenue / costs in respect of the transactions can reliably be measured and probable economic benefits associated with the transactions will flow to the Company.

Other Revenue

Customs Duty

Customs Duty/incentive entitlement as and when eligible is accounted on accrual basis. Accordingly, import duty benefits against exports effected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty-free imports of raw material yet to be made.

Interest Income

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

Other Income/Miscellaneous Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government assistance to entities meets the definition of government grants in Ind AS 20, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Taxes

Income tax expenses comprise current tax expense and the net changes in the deferred tax asset or Liability during the year. Current & deferred taxes are recognized in the statement of Profit & Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current & deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax at the prescribed percentage on the adjusted book profits of a year, when Income Tax Liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115JA.

Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred Tax Liability are generally recognised for all taxable temporary difference. In contrast, Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. However, if these are unabsorbed depreciation, carry forward losses and items relating to capital losses, deferred tax assets are recognised when there is reasonable certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable that such unutilized tax credits will get realized.

The unrecognized deferred tax assets/carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis. For further information, refer to "Financial Statements - Note 34 to the audited consolidated financial statements as at and for the financial year ended March 31, 2024" b beginning on page 250.

Leases

The Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value. Subsequently, right-of-use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases.

Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and right-of-use ("**ROU**") asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head "*Financial Liabilities*".

Right-of-use asset is depreciated over the useful life of the asset, if the lessor transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 - 'Leases'. This standard is effective from 1st April, 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Ind AS 116 - Leases amends the rules for the lessee's accounting treatment of operating leases. According to the standard all operating leases (with a few exceptions) must therefore be recognized in the balance sheet as lease assets and corresponding lease liabilities. The lease expenses, which were recognised as a single amount (operating expenses), will consist of two elements: depreciation and interest expenses. The standard has become effective from 2019 and the Company has assessed the impact of application of Ind AS 116 on Company's financial statements and provided necessary treatments and disclosures as required by the standard. For further information, refer to "*Financial Statements- Note 39 of the audited consolidated financial statements as at and for the financial year ended March 31, 2024*", beginning on page 250.

Impairment of assets

The impairment of assets depends on whether there has been a significant increase in the credit risks since initial recognition. Accordingly, the Company deals with providing for impairment of loss. In case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventories

The general practice adopted by the company for valuation of inventory is as under:

i) Raw Materials - * At lower of cost and net realizable value.

ii) Stores and spares - At cost

iii) Work-in-process/semi-finished goods - At material cost plus labour and other appropriate portion of production and administrative overheads and depreciation

iv) Finished Goods/Traded Goods - At lower of cost and net realizable value.

v) Finished Goods at the end of trial run - At net realizable value.

vi) Scrap material - At net realizable value.

vii) Tools and equipments - At lower of cost and disposable value.

** Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.*

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

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

Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expenses in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. However, where the impact of discounting / transaction costs is significant, the amortised cost is measured using the effective interest rate ("**EIR**") method. Interest income from these financial assets is included in Other Income.

*Fair value through other comprehensive income ("**FVOCI**"):*

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, the same are measured at fair value through other comprehensive income ("**FVOCI**"). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Ref Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of financial assets

Financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flow from the financial asset or

- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their nature. The costs of the Company are broadly categorized in to material consumption, cost of trading goods, employee benefit expenses, depreciation and amortization, other operating expenses and finance cost. Employee benefit expenses include employee compensation, gratuity, leave encashment, contribution to various funds and staff welfare expenses. Other expenses broadly comprise manufacturing expenses, administrative expenses and selling and distribution expenses.

Derivatives

The derivative contracts to hedge risks which are not designated as hedges are accounted at fair value through profit or loss and are included in the profit and loss account.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized 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 Company or the counterparty.

Financial Assets

Initial Recognition

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

Property, plant and equipment ("PPE")

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE are initially measured at cost of acquisition/ construction including decommissioning or restoration cost wherever required. Cost of land includes expenditures which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons etc.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any in accordance with Ind-AS 16. The Company reviews the fair value with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value.

Cost excludes Input credit under GST and such other taxes which can utilize against GST liabilities and other refundable taxes. Depreciation on assets is claimed on such 'reduced' cost. All items of repairs and maintenance are recognized in the statement of profit and loss, except those meet the recognition principle as defined in Ind-AS 16. Any revaluation of an asset is recognized in other comprehensive income and shown as revaluation reserves in other equity

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation/Amortization methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on a pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortized over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

Intangible assets

Recognition

Intangible assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortized over their useful life. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Amortization methods and periods

The Company amortized intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortized over a period of three years.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Financial Liabilities

Initial Recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Recognition

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate ("**EIR**") method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees Paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, there is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as defined in Ind-AS 23 are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Any related foreign currency fluctuations on account of qualifying asset under construction is capitalized and added to the cost of asset concerned. Other borrowing costs are expensed as incurred.

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations.

Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and superannuation fund.

(c) Defined benefit plans such as Leave encashment.

Gratuity & Leave Encashment obligations

The liability or assets recognized in the balance sheet in respect of gratuity & Leave Encashment plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailment are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expenses when they are due.

Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black- Scholes model. In case the options are granted to employees of the company, the fair value determined at the grant date is expensed on a straight line basic over the vesting period, based on the Company's estimate of options that will eventually vest, with a corresponding increase in equity.

Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Earnings per share

i) *Basic earnings per share*: Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company."

- By the weighted average number of equity shares outstanding during the financial year."

ii) *Diluted earnings per share*: Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Custom duty and its benefits

Customs Duty payable on imported raw materials, components and stores and spares is recognized to the extent assessed by the customs department.

Customs duty entitlement eligible under passbook scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports affected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

The Treatment of expenditure during construction period

All expenditure and interest cost during the project construction period, are accumulated and shown as Capital Work-in- Progress provided they meet the recognition criteria as per IND AS 16 until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure/Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress.

Fair value measurement

The Company reviews the fair value of Land with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant absorbable inputs and minimizing the use of un-absorbable inputs. External valuers are appointed for valuing land. The selection criteria for these valuers include market knowledge, reputation, independence and whether professional standards are maintained.

Amortization of expenses

Equity Issue expenses: Expenditure incurred in equity issue is being treated as Deferred and Revenue Expenditure to be amortized over a period of 10 years;

Debenture Issue Expenses: Debenture Issue expenditure is amortized over the period of 10 years.

Deferred Revenue Expenses: Deferred Revenue expenses are amortized over a period of 5 years.

Research and development expenses

Research and Development costs (other than cost of fixed assets acquired) are expensed in the year in which they are incurred.

Investment in Associates

Investments in associates are recognized at cost. The company provides for any permanent diminution, if any, in value of such investment.

Accounting for Provisions, Contingent Liabilities & Contingent Assets

In conformity with Ind-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI. A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in financial statements.

Provision for doubtful debts

The Management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

Critical estimates and Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of Investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Mine Closure, Site Restoration and Decommissioning Obligation

The Company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government of India. The Company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work. Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be incurred to settle the obligation. The Company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life. The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises revenue from sale of products in the nature of (i) finished goods, (ii) power sales, (iii) traded goods and (iv) other operating revenues.

The following table sets forth a breakdown of our revenue from operations, for the years indicated:

(₹ crore)

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Sales of finished goods	6,016.71	3,276.91	637.58
Power sales	121.21	66.12	43.94
Sale of traded goods	343.09	-	-
Other operating revenue	40.64	49.28	15.98
Revenue from operations	**6,521.65**	**3,392.31**	**697.50**

Our revenues from operations are generated from sales of finished goods being in the nature of sales of sponge iron and merchant sales of iron ore. Power sales consist of sale of power generated, while traded goods consist of sales of pellets. Our other operating revenues consist of sales of by-products of sponge iron, such as ash of char, fly ash, wet scrapper dust, etc..

Other income

Our other income consists primarily of interest income from deposits, other non-operating income, profits from sale of assets, industrial promotion subsidy refund, duty drawbacks, dividend income from investments, profits on sale of shares or investments and sundry balances written back.

Expenses

Our expenses comprise of (i) cost of materials consumed, (ii) purchase of stock-in-trade, (iii) changes in inventories of finished goods, stock-in-trade and work-in-progress, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortisation expense, (vii) mining, royalty and freight expenses, and (viii) other expenses.

Cost of materials consumed

Cost of materials consumed primarily consists of purchase of raw materials, such as, iron ore / pellets, coal and dolomite.

Purchase of stock-in-trade

Purchase of stock-in-trade consists of purchase of traded goods which primarily consist of pellets.

Changes in inventories of finished goods, stock-in trade and work-in-progress

Changes in inventories of finished goods, stock in trade and work in progress represents the net increase or decrease in finished goods, work-in-progress, by-products, traded goods, consignment stock at the beginning of the year and end of the year.

Employee benefits expense

Our employee benefits expense comprises of (i) salaries and wages, (ii) contribution to provident and other funds, (iii) expenses on employee stock option scheme, (iv) staff welfare expenses, (v) gratuity and leave encashment expenses and (vi) remuneration to managing director.

Finance cost

Our finance cost comprises (i) interest expense on borrowings, (ii) interest expense on optionally convertible debentures, and (iii) other finance charges.

Depreciation and amortisation

Depreciation and amortization expense comprises of (i) depreciation and (ii) depreciation on right of use assets.

Mining, royalty and freight expenses

Mining, royalty and freight expenses comprise of (i) mining charges payable to District Mineral Foundation (non-profit trusts that were formed under the Mines and Minerals (Development and Regulation) (MMDR) Amendment Act 2015), (ii) royalty charges payable under our mining concession agreement and (iii) freight expenses payable to road transporters and Indian Railways towards transportation of iron ore extracted from the mine.

Other expenses

Other expenses primarily comprise (i) manufacturing expenses, such as power consumption charges, fuel consumption charges, water charges, stores and spares consumed and repairs and maintenance charges to our units, (ii) selling and distribution expenses consisting of commissions and rebates given to our distributors, and (iii) administrative expenses such as insurance charges, travelling and conveyance charges, legal, professional and consultancy charges, corporate social responsibility charges, sitting fees paid to Directors and miscellaneous expenses.

Income tax expense

We are subject to income taxes in India. Our provision for income taxes, which is reflected on our consolidated statements of income as income tax expense consists of (i) current income tax expense arising from income from operations and (ii) deferred income tax expense/(benefit) arising from temporary differences.

SEGMENT REPORTING

We have identified four reportable segments: (i) sponge iron segment, which includes production and manufacture of sponge iron, (ii) mining segment which includes production and manufacture of iron ore, (iii) power segment which includes generation of power and (iv) pellet segment which includes trading of pellets. Set forth below are our revenue from operations, as per disclosure requirements under Ind AS 108 – Operating segments, based on our reportable segments (including other income):

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	(₹ in crore)		
Gross Sales / Income from Operations			
Sponge Iron	827.48	748.99	445.41
Mining	5,283.19	2,651.10	237.97
Power	117.82	66.68	43.87
Pellet	346.08	-	-
Total	**6,574.57**	**3,466.77**	**727.25**

RESULTS OF OPERATIONS

The following table sets forth our consolidated statement of profit and loss for the years indicated.

(₹ in crore)

	Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (₹ in crore)	**Percentage of Total Income (%)**	**Amount (₹ in crore)**	**Percentage of Total Income (%)**	**Amount (₹ in crore)**	**Percentage of Total Income (%)**
	Revenue from Operations						
I	Gross Sales/ Income from Operations	6,521.65	99.19%	3,392.31	97.85%	697.50	95.91%
II	Other Income	52.94	0.81%	74.46	2.15%	29.75	4.09%
III	**Total Income (I+II)**	**6,574.59**	**100.00%**	**3,466.77**	**100.00%**	**727.25**	**100.00%**
IV	**EXPENSES**						
	(a) Cost of Materials Consumed	540.66	8.22%	504.35	14.55%	373.27	51.33%
	(b) Purchases of Stock-in-trade	370.23	5.63%	-	-	-	-
	(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(18.93)	(0.29)%	35.78	1.03%	(60.40)	(8.31)%
	(d) Employee Benefit Expenses	117.76	1.79%	54.26	1.57%	18.35	2.52%
	(e) Finance Cost	5.68	0.09%	65.04	1.88%	18.14	2.49%
	(f) Depreciation and amortization expenses	48.99	0.75%	23.00	0.66%	17.98	2.47%
	(g) Mining, Royalty and Freight Expenses	3,239.77	49.28%	1,751.64	50.53%	174.52	24.00%
	(h) Other Expenses	543.90	8.27%	235.98	6.81%	46.22	6.36%
	Total Expenses(IV)	**4,848.06**	**73.74%**	**2,670.04**	**77.02%**	**588.09**	**80.86%**
V	**PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**1,726.53**	**26.26 %**	**796.72**	**22.98%**	**139.16**	**19.14%**
VI	Exceptional Items	-	-	1,194.40	34.45%	51.36	7.06%
VII	**PROFIT /(LOSS) BEFORE TAX (V-VI)**	**1,726.53**	**26.26%**	**(397.68)**	**11.47%**	**87.80**	**12.07%**
VIII	**Tax Expenses:**						
	(1) Current Tax	(259.78)	(3.95)%	-	-	-	-
	(2) Deferred Tax Income	(223.82)	(3.40)%	109.14	3.15%	9.51	1.31%
IX	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATION (VII-VIII)**	**1,242.93**	**18.91%**	**(288.54)**	**8.32%**	**97.30**	**13.38%**
X	**Share of Profit / (Loss) of Joint Venture**	**-**	**-**	**(0.10)**	**0.00%**	**0.07**	**0.01%**
XI	**Profit/(loss) from discontinued operations**	**-**	**-**	**-**	**-**	**-**	**-**
XII	**Tax expenses of discontinued operations**	**-**	**-**	**-**	**-**	**-**	**-**
XIII	**Profit/(loss) from Discontinued operations (after tax) (X-XI)**	**1,242.93**	**18.91%**	**(288.55)**	**8.32%**	**97.37**	**13.39%**
XIV	**Profit/(loss) for the period (IX+XII)**	**1,242.93**	**18.91%**	**(288.55)**	**8.32%**	**97.37**	**13.39%**

Fiscal 2024 compared to Fiscal 2023

Income

Our total income increased by 89.65% from ₹ 3,466.76 crore in Fiscal 2023 to ₹ 6,574.59 crore in Fiscal 2024, due to increase in revenues from operations primarily due to increase in revenues from our mining operations.

Gross sales / Income from operations

Our income from operations increased by 92.25% from ₹ 3,392.31 crore in Fiscal 2023 to ₹ 6,521.65 crore in Fiscal 2024.

The following table sets forth details of our income from operations, as per disclosure requirements under Ind AS 115, by segment in Fiscal 2024 and Fiscal 2023:

Revenue by Segment	Fiscal 2024	Fiscal 2023	Increase/ (Decrease) (%)
	(₹ crore, unless otherwise stated)		
Sponge Iron	827.48	748.99	10.48%
Mining	5,283.19	2,651.10	99.28%
Power	117.82	66.68	76.70%
Pellet	346.08	-	-
Income from operations	**6,521.65**	**3,466.77**	**88.12%**

On a segment basis, our revenue from operations primarily grew as a result of increased revenue from each of our sale of sponge iron, mining operations and power sales. Further, we have commenced trading in pellets in Fiscal 2024.

Other income

Our other income decreased by 28.90% from ₹ 74.46 crore in Fiscal 2023 to ₹ 52.94 crore in Fiscal 2024. This decrease was primarily on account of industrial promotional subsidy refunds amounting to ₹ 3.91 crore in Fiscal 2023 which was partially offset by increase in income from securities and fixed deposits (Interest, profit on sale of securities and Dividend income) to ₹ 4.29 crore in Fiscal 2024 from ₹ 1.29 crore in Fiscal 2023.

Expenses

Our total expenses increased by 81.57% from ₹ 2,670.05 crore in Fiscal 2023 to ₹ 4,848.06 crore in Fiscal 2024, primarily due to commencement of purchase of pellets for the purpose of trading and increase in mining, royalty and freight expenses, employee benefit expense and other expenses.

Cost of materials consumed

Our cost of materials consumed increased by 6.40% from ₹ 504.35 crore in Fiscal 2023 to ₹ 536.62 crore in Fiscal 2024, primarily in line with an increase in our sponge iron production and overall increase in scale of operations.

Purchases of stock in trade

Our expenses towards purchase of stock in trade increased by 100% from Nil in Fiscal 2023 to ₹ 370.23 crore in Fiscal 2024, due to commencement of pellet trading in Fiscal 2024.

Changes in inventories of finished goods, stock in trade and work in progress

The difference in our opening inventory as of April 1, 2023 and closing inventory as of March 31, 2024 was ₹ (18.93) crore due to commencement of trading in pellets during Fiscal 2024.

Employee benefit expense

Our employee benefits expense increased by 117.02% from ₹ 54.26 crore in Fiscal 2023 to ₹ 117.76 crore in Fiscal 2024 primarily due to increase in salaries and wages from ₹ 29.79 crore in Fiscal 2023 to ₹ 64.47 crore in Fiscal 2024, and increase in contribution to provident and other funds from ₹ 1.48 crore in Fiscal 2023 to ₹ 3.05 crore in Fiscal 2024, in line with increase in the overall number of employees of our Company. Our expense on employee stock option scheme also increased from ₹ 7.35 crore in Fiscal 2023 to ₹ 35.98 crore in Fiscal 2024 due to increase in the number of options granted under the ESOP 2017 in Fiscal 2024.

Finance cost

Our finance cost decreased by 91.26% from ₹ 65.04 crore in Fiscal 2023 to ₹ 5.68 crore in Fiscal 2024 due to interest payment of ₹ 56.60 crore on 0% optionally fully convertible debentures ("**OFCDs**") issued by our Company towards meeting a liability of our Company under an arbitration award and repayment of loans availed by our Company in Fiscal 2023. Pursuant to a conversion letter received from the holder of the OFCDs, 60,000,000 OFCDs have been converted into 60,000,000 Equity Shares in the ratio of 1:1.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 113.00% from ₹ 23.00 crore in Fiscal 2023 to ₹ 48.99 crore in Fiscal 2024. The increase was mainly on account of increase in depreciation on property, plant and equipment from ₹ 22.16 crore in Fiscal 2023 to ₹ 44.25 crore in Fiscal 2024, as well as increase in depreciation of right of use assets from ₹ 0.84 crore in Fiscal 2023 to ₹ 4.74 crore in Fiscal 2024.

Mining, royalty and freight expenses

Our expenses towards mining charges, royalty charges and freight increased by 84.96% from ₹ 1,751.64 crore in Fiscal 2023 to ₹ 3,239.77 crore in Fiscal 2024. The increase was mainly on account of increase in mining expenses due to increase in operations, increase in royalty charges due to increased extraction of iron ore from our Surjagarh mine and freight expenses on account of increased transport charges of additional iron ore extracted as well as increase in operations.

Other expenses

Our other expenses increased by 130.81% from ₹ 235.98 crore in Fiscal 2023 to ₹ 543.90 crore in Fiscal 2024, primarily due to increase in: (i) manufacturing expenses from ₹ 77.33 crore in Fiscal 2023 to ₹ 130.56 crore primarily on account of increased consumption of stores and spares and other manufacturing expenses, in line with increased operations, (ii) selling and distribution expenses from ₹ 110.68 crore in Fiscal 2023 to ₹ 237.85 crore in Fiscal 2024 primarily on account of increased selling expenses and no rebates or discounts provided in Fiscal 2024 due to increase in sale of products and (iii) administrative expenses from ₹ 47.98 crore in Fiscal 2023 to ₹ 175.49 crore in Fiscal 2024, primarily on account of increased miscellaneous expenses, and CSR expenditure.

Profit before exceptional items and tax

As a result of the foregoing, our profit before exceptional items and tax increased by 116.73% from ₹ 796.72 crore in Fiscal 2023 to ₹ 1,726.53 crore in Fiscal 2024.

Exceptional item

There were no exceptional items in Fiscal 2024. However, in Fiscal 2023, there was an exceptional item of ₹ 1,194.40 crore pursuant to an arbitration award dated April 22, 2022 read with the additional arbitration award dated April 28, 2022 against the Company. There was no cash outflow for the Company as the debt was satisfied through issue of 60,000,000 0% OFCDs to the debtor, Sunflag Iron and Steel Co Limited ("**Sunflag**"). Pursuant to the conversion letter received from Sunflag the 60,000,000 OFCDs have been converted into 60,000,000 Equity Shares in the ratio of 1:1.

Profit before tax

As a result of the foregoing, our profit before tax increased by 534.15% from ₹ (397.68) crore in Fiscal 2023 to ₹ 1,726.53 crore in Fiscal 2024.

Total tax expense

Our total tax expense increased by 543% from ₹ (109.14) crore in Fiscal 2023 to ₹ 483.60 crore in Fiscal 2024, primarily due to increase in current tax from Nil in Fiscal 2023 to ₹ 259.78 crore in Fiscal 2024, as a result of tax liability arising on profit for Fiscal 2024 as well as increase in Deferred Tax from ₹ (109.14) crore in Fiscal 2023 to ₹ 223.78 crore in Fiscal 2024

Profit / (Loss) for the period

Due to the factors discussed above, our profit for the year increased by 530.76% from ₹ (288.55) crore in Fiscal 2023 to ₹ 1,242.93 crore in Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 376.69% from ₹ 727.25 crore in Fiscal 2022 to ₹ 3,466.77 crore in Fiscal 2023, due to increase in revenues from operations primarily due to increase in revenues from sales of sponge iron and iron ore on a merchant basis.

Gross sales / Income from operations

Our income from operations increased by 386.35% from ₹ 697.50 crore in Fiscal 2022 to ₹ 3,392.31 crore in Fiscal 2023.

The following table sets forth details of our income from operations, as per disclosure requirements under Ind AS 115, by segment in Fiscal 2023 and Fiscal 2022:

Revenue by Segment	**Fiscal 2023**	**Fiscal 2022**	**Increase/ (Decrease) (%)**
	(₹ crore, unless otherwise stated)		
Sponge Iron	748.99	445.41	68.15%
Mining	2,651.10	237.97	1,014.05%
Power	66.68	43.87	51.99%
Pellet	-	-	-
Income from operations	**3,466.77**	**727.25**	**376.70%**

On a segment basis, our revenue from operations primarily grew as a result of increased revenue from each of our sale of sponge iron, mining operations and power sales. Further, we have commenced trading in pellets from Fiscal 2024 and accordingly, there were no revenue from pellet trading in either Fiscal 2023 or Fiscal 2022.

Other income

Our other income increased by 150.28% from ₹ 29.75 crore in Fiscal 2022 to ₹ 74.46 crore in Fiscal 2023, primarily due to payment of industrial promotion subsidy refund in Fiscal 2023 of ₹ 36.91 crore as compared to ₹ 27.66 crore in Fiscal 2022 due to receipt of industrial promotion subsidy refund. Further, other non-operating income in the nature of interest of OFCDs increased from ₹ 0.81 crore in Fiscal 2022 to ₹ 10.72 crore in Fiscal 2023 and we had a one time profit on sale of shares or investment of ₹ 7.24 crore in Fiscal 2023.

Expenses

Our total expenses increased by 354.02% from ₹ 588.09 crore in Fiscal 2022 to ₹ 2,670.05 crore in Fiscal 2023, primarily due to increase in mining, royalty, freight and other expenses in line with increased mining operations at Surjagarh and increased DRI production.

Cost of materials consumed

Our cost of materials consumed increased by 35.11% from ₹ 373.27 crore in Fiscal 2022 to ₹ 504.35 crore in Fiscal 2023, primarily due to increased consumption of raw material in line with increase in scale of operations.

Purchases of stock in trade

As pellet trading commenced only in Fiscal 2024, we did not have any expenses towards purchase of stock in trade in Fiscal 2022 or Fiscal 2023.

Changes in inventories of finished goods, stock in trade and work in progress

The difference in our opening inventory as of April 1, 2021 and closing inventory as of March 31, 2022 was ₹ (60.40) crore due to increase in finished goods in the nature of sponge iron, due to increased production.

Employee benefit expense

Our employee benefits expense increased by 195.70% from ₹ 18.35 crore in Fiscal 2022 to ₹ 54.26 crore in Fiscal 2023 primarily due to increase in salaries and wages from ₹ 15.43 crore in Fiscal 2022 to ₹ 29.79 crore in Fiscal 2023, on account of increase in number of employees as well as increments given to employees during Fiscal 2023 in the ordinary course and increase in contribution for gratuity and leave encashment expenses from ₹ 0.74 crore in Fiscal 2022 to ₹ 13.03 crore in Fiscal 2023 due to transfer of liabilities to our Company on account of transfer of certain employees of a group company to the payrolls of our Company. Our expense on employee stock option scheme also increased from ₹ 0.21 crore in Fiscal 2022 to ₹ 7.35 crore in Fiscal 2023 due to increase in the number of options granted under ESOP 2017.

Finance cost

Our finance cost increased by 258.50% from ₹ 18.14 crore in Fiscal 2022 to ₹ 65.04 crore in Fiscal 2023 due to interest payment of ₹ 56.60 crore on 6,00,00,000 0% OFCDs issued by our Company to Sunflag towards meeting a liability of our Company under an arbitration award passed against our Company in relation a claim by Sunflag Iron & Steel Company Limited, and repayment of loans availed by our Company in Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 27.92% from ₹ 17.98 crore in Fiscal 2022 to ₹ 23.00 crore in Fiscal 2023. The increase was mainly on account of increase in depreciation on property, plant and equipment.

Mining, royalty and freight expenses

Our expenses towards mining charges, royalty charges and freight increased by 903.69% from ₹ 174.52 crore in Fiscal 2022 to ₹ 1,751.64 crore in Fiscal 2023. The increase was mainly on account of increase in mining operations at Surjagarh.

Other expenses

Our other expenses increased by 410.55% from ₹ 46.22 crore in Fiscal 2022 to ₹ 235.98 crore in Fiscal 2023, primarily due to increase in: (i) manufacturing expenses from ₹ 27.59 crore in Fiscal 2022 to ₹ 77.33 crore in Fiscal 2023 primarily on account of increase in other manufacturing expenses in the nature of power & fuel consumption charges, water charges, and expenses towards repair and maintenance of plants, (ii) selling and distribution expenses from ₹ 7.93 crore in Fiscal 2022 to ₹ 110.68 crore in Fiscal 2023 primarily on account of increased local freight expenses towards transport of iron to our sponge iron plant, and (iii) administrative expenses from ₹ 10.68 crore to ₹ 47.98 crore in Fiscal 2023, primarily on account of increased expenses towards rent, rate and taxes, legal, professional and consultancy charges and other expenses.

Profit before exceptional items and tax

As a result of the foregoing, our profit before exceptional items and tax increased by 472.52% from ₹ 139.16 crore in Fiscal 2022 to ₹ 796.72 crore in Fiscal 2023.

Exceptional item

In Fiscal 2023, there was an exceptional item of ₹ 1,194.40 crore pursuant to an arbitration award dated April 22, 2022 read with the additional arbitration award dated April 28, 2022 against the Company. There was no cash outflow for the Company as the debt was satisfied through issue of 60,000,000 0% OFCDs to the debtor, Sunflag.

In Fiscal 2022, there was an exceptional item of ₹ 51.36 crore towards coal cess/clean energy cess levied on us for purchase of coal.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 552.92% from ₹ 87.80 crore in Fiscal 2022 to ₹ (397.68) crore in Fiscal 2023.

Total tax expense

Our total tax expense increased by 1,047.63% from ₹ 9.51 crore in Fiscal 2022 to ₹ 109.14 crore in Fiscal 2023, primarily due to the Company having determined that there was a reasonable certainty of sufficient profits being available in future to recoup unabsorbed depreciation and carried forward losses and accordingly deferred tax was recognised on those losses under Ind AS provisions.

Profit / (Loss) for the period

Due to the factors discussed above, our profit for the year decreased by 396.54% from ₹97.30 crore in Fiscal 2022 to ₹ (288.54) crore in Fiscal 2023.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity have historically been cash generated from operations. We expect that cash generated from operations will continue to be our primary sources of liquidity.

Cash flows

The following table sets out a condensed summary of our cash flows for the years indicated.

	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ in crore)		
Net cash inflow / (outflow) from operating activities	1,701.04	(516.44)	(78.21)
Net cash (outflow) from investing activities	(1,725.41)	(612.27)	(57.35)
Net cash inflow / (outflow) from financing activities	(0.62)	1,142.53	148.89
Cash and cash equivalents at the beginning of the financial year	27.58	13.76	0.40
Cash and cash equivalents at the end of the financial year	2.59	27.58	13.73

Operating activities

Fiscal 2024

Our net cash inflow from operating activities was ₹ 1,701.04 crore in Fiscal 2024. Our profit before tax after exceptional items was ₹ 1,726.53 crore in Fiscal 2024, which was primarily adjusted by depreciation expense of ₹ 48.99 crore and expense on ESOP of ₹ 35.98 crore interest. Our changes in operating assets and liabilities comprised increase in non-current/current financial and other assets of ₹ 169.84 crore and increase in non-current/current financial and other liabilities /provisions of ₹ 285.03 crore. We paid direct taxes amounting to ₹ 227.33 crore for Fiscal 2024.

Fiscal 2023

Our net cash outflow from operating activities was ₹ 516.43 crore in Fiscal 2023. Our profit before tax after exceptional items was ₹ (397.68) crore in Fiscal 2023, which was primarily adjusted by depreciation expense of ₹ 23.00 crore, expense on ESOP of ₹ 6.91 crore and interest and finance charges of ₹ 5.98 crores. Our changes in operating assets and liabilities comprised increase in non-current/current financial and other assets of ₹ 271.45 crore, increase in inventories amounting to ₹ 102.91 crore and increase in non-current/current financial and other liabilities /provisions of ₹ 229.71 crore. We paid direct taxes amounting to ₹ 3.25 crore for Fiscal 2023.

Fiscal 2022

Our net cash outflow from operating activities was ₹ 78.21 crore in Fiscal 2022. Our profit before tax after exceptional items was ₹ 87.80 crore in Fiscal 2022, which was primarily adjusted by depreciation expense of ₹

17.98 crore and interest and finance charges of ₹ 10.18 crore. Our changes in operating assets and liabilities comprised decrease in non current liabilities of ₹ 120.74 crore, increase in inventories of ₹ 51.13 crore and decrease in trade payables of ₹ 20.07 crore. We paid direct taxes amounting to ₹ 0.30 crore for Fiscal 2022.

Investing activities

Fiscal 2024

Net cash outflow from investing activities was ₹ 1,725.41 crore in Fiscal 2024. This was primarily due to purchase of property, plant and equipment of ₹ 724.01 crore, largely on account of factory building and site development at Konsari and related installation of plant and machinery and equipment for DRI Konsari Plant & Pellet Plant and increase in capital work in progress of ₹ 970.28 crore, on account of setting up of our DRI & Pellet Plant and laying slurry pipelines and related installation at site.

Fiscal 2023

Net cash outflow from investing activities was ₹ 612.27 crore in Fiscal 2023. This was primarily due to purchase of property, plant and equipment of ₹ 99.63 crore, increase in fixed deposits of ₹ 228.84 crore and increase in capital work in progress of ₹ 287.22 crore, on account of development of our DRI plant at Konsari.

Fiscal 2022

Net cash outflow from investing activities was ₹ 57.35 crore in Fiscal 2022. This was primarily due to purchase of property, plant and equipment of ₹ 56.24 crore, largely on account of acquisition of plant and machinery for Surjagarh mines.

Financing activities

Fiscal 2024

Net cash outflow from financing activities was ₹ 0.62 crore. This was primarily on account of interest and finance charges paid of ₹ 0.79 crore as adjusted for proceeds from issue of equity shares arising on exercise of ESOPs of ₹ 0.17 crore.

Fiscal 2023

Net cash inflow from financing activities was ₹ 1,142.53 crore. This was primarily on account of premium from issue of equity shares of the Company of ₹ 1,292.62 crore, proceeds from issue of share warrants of ₹ 15.63 crore and repayment of borrowings of ₹ 74.97 crore, as adjusted for dividends paid to the Company's shareholders of ₹ 22.24 crore and proceeds from issue of OFCDs of ₹ 2.39 crore.

Fiscal 2022

Net cash inflow from financing activities was ₹ 148.89 crore. This was primarily on account of premium from issue of equity shares of the Company of ₹ 189.93 crore, proceeds from issuance of shares of ₹ 11.67 crore and repayment of borrowings of 118.08 crores as adjusted for additional borrowings of ₹ 75.21 crore.

BORROWINGS

As of March 31, 2024, we did not have any outstanding current or non-current borrowings.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The following table sets forth our contingent liabilities as of March 31, 2024:

Particulars	As of March 31, 2024 (₹ in crore)
Contingent Liabilities	
(e) Letter of Credit/Guarantees issued by Banks	49.29
(f) Disputed claims of Excise	16.16

Particulars	As of March 31, 2024 (₹ in crore)
(g) Demand notice by Income tax	32.42
(h) Claims against the Company not acknowledged as Debts	3.21

We did not have any capital commitments as of March 31, 2024.

RELATED PARTY TRANSACTIONS

Related party transactions primarily relate to contribution made to mining charges paid, interest of OFCDs, transportation charges, sale of goods, purchases, capital expenditure, directors' sitting fees and managerial remunerations. For further details of such related parties, see "*Related Party Transactions*" on page 81.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENT LIABILITIES

We have no other off-balance sheet commitments and arrangements that materially affect our financial condition or results of operations.

CAPITAL EXPENDITURES

Our capital expenditures include expenditures on property, plant and equipment and right-of-use assets. Property, plant and equipment include plant and machinery used for our operations in the nature of DRI production, mining and power generation, land, building and office equipment and computers. Right-of-use assets include building and security deposits towards leasehold properties. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we spent towards capital expenditure for purchase of property, plant and equipment of ₹ 1,690.07 crore, ₹ 311.63 crore and ₹ 57.41 crore, respectively.

QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

Our principal financial liabilities, comprise trade and other payables. Our principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from our operations. We are exposed to market risk, credit risk and liquidity risk. Our Company's senior management oversees the management of these risks. Our Company's senior management is supported by internal and external experts that advise on financial risks and the appropriate financial risk governance framework for our Company. Our Board of Directors reviews and agrees policies for managing each risk, which are as below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits with banks and financial institutions and other financial instruments.

We periodically assess the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. We have used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate.

Liquidity Risk

Our principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. We manage 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.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

Except as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company in the five Fiscals immediately preceding the year of this Preliminary Placement Document:

Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Corrective steps taken or proposed to be taken by the Company
Fiscal Year 2021		
Emphasis of Matter: No provision has been made during the year ended on 31st March 2021 for Deferred Tax. Ind AS 12 requires recognition of tax consequences of difference between the carrying amounts, of assets and liabilities and their tax base. With reference to the above, the company has not adhered with measurement criteria as per Ind AS 12.	Non-Quantifiable	Corrective action has been taken in the subsequent year by complying the provision of IND AS 12 by recognizing deferred tax asset/liability.

KNOWN TRENDS AND UNCERTAINTIES

There are no known trends or uncertainties which are expected to have a material adverse impact on our revenues or income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

As of the date of this Preliminary Placement Document, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT REVENUE FROM OPERATIONS

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in the sections "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 42, 83 and 169, respectively.

FUTURE RELATIONSHIPS BETWEEN COSTS AND INCOME

Other than as described in this section and the sections "*Risk Factors*" and "*Our Business*" and beginning on pages 42 and 169, respectively, there are no known factors which will have a material adverse impact on our business operations or financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new products or business segments.

COMPETITIVE CONDITIONS

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in "*Risk Factors – Competition from other materials or changes in the products or manufacturing processes of customers that use our iron ore or steel products, could reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.*" beginning on page 59.

SUPPLIERS OR CUSTOMERS CONCENTRATION

We are not dependent on any particular supplier or customer.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024

Except as set out below and elsewhere in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Preliminary Placement Document which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

Subject to the approval of our Shareholders at the EGM proposed to be held on July 29, 2024 and appropriate authorities, our Board of Directors at their meeting held on July 4, 2024, have decided to issue and allot 4.00 crore convertible warrants of the Company on a preferential basis at a price of ₹ 740.00 each (to be converted into Equity Shares) ("**Preferential Issue**") of which 1.50 crores convertible warrants are proposed to be issued to the Promoters and balance to others / non-promoters of the Company, towards raising of additional capital by the Company pursuant to Section 42, 62 of the Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations. The pricing of the convertible warrants has been determined in accordance with the SEBI ICDR Regulations. The allotment of the convertible warrants will be undertaken post-completion of the Issue.

Set out below are the list of proposed allottees in the Preferential Issue:

Sr. No.	Name of Proposed Allottees	Category	No. of Convertible Warrants proposed to be allotted
1.	Lloyds Enterprises Limited	Promoter	75,00,002
2.	Sky United LLP	Promoter	74,99,998
3.	Sunflag Iron & Steel Company Limited	Non-Promoter	27,00,000
4.	Goodday Enterprises LLP	Non-Promoter	27,00,000
5.	Om Hari Mahabir Prasad Halan	Non-Promoter	21,00,000
6.	TIMF Holdings	Non-Promoter	20,00,000
7.	Sheenyplex Industries	Non-Promoter	15,00,000
8.	Choesion MK Best Ideas Sub - Trust	Non-Promoter	12,00,000
9.	Neha Bagaria	Non-Promoter	10,00,000
10.	Chartered Finance & Leasing Limited	Non-Promoter	8,00,000
11.	Alpana Dangi	Non-Promoter	6,00,000
12.	C Kandasamy	Non-Promoter	6,00,000
13.	MGN Agro Properties Private Limited	Non-Promoter	5,00,000
14.	Value Plus Commodities LLP	Non-Promoter	5,00,000
15.	Yash Shares and Stock Private Limited	Non-Promoter	5,00,000
16.	Kritagyata Trust	Non-Promoter	5,00,000

17.	Manorama Advisors LLP	Non-Promoter	5,00,000
18.	Amit Dangi HUF	Non-Promoter	4,00,000
19.	K&K Ventures	Non-Promoter	4,00,000
20.	Shailesh Shivkumar Dalmia	Non-Promoter	4,00,000
21.	Silver Stallion Limited	Non-Promoter	3,42,000
22.	Naveen Chandra Lal	Non-Promoter	3,35,000
23.	Madanlal Daga	Non-Promoter	3,06,600
24.	Shah Kinnari	Non-Promoter	3,00,000
25.	Shah Bela	Non-Promoter	3,00,000
26.	Premlata Balkrishna Harlalka	Non-Promoter	3,00,000
27.	Keystar Infotech Private Limited	Non-Promoter	3,00,000
28.	Indu Bala Jain	Non-Promoter	3,00,000
29.	Ashibhadarsh Ventures Private Limited	Non-Promoter	2,50,000
30.	Shakti Ahuja	Non-Promoter	2,50,000
31.	Anmol Rashesh Bhansali	Non-Promoter	2,25,000
32.	Shuchi Advisors LLP	Non-Promoter	2,00,000
33.	Vasanthakumar Balasubramaniam	Non-Promoter	2,00,000
34.	Transtek Coal & Minerals Private Limited	Non-Promoter	2,00,000
35.	Accent Agencies Private Limited	Non-Promoter	2,00,000
36.	Capri Global Holdings Private Limited	Non-Promoter	2,00,000
37.	Shubham Maheshwari	Non-Promoter	1,75,000
38.	Vahini Mahendiran	Non-Promoter	1,70,000
39.	Amrita Kedia	Non-Promoter	1,50,000
40.	Anand Poddar	Non-Promoter	1,50,000
41.	Sunita Sushil Kumar Dangi	Non-Promoter	1,00,000
42.	Arun Shriniwas Goel	Non-Promoter	1,00,000
43.	Pramit Shashikant Jhaveri	Non-Promoter	1,00,000
44.	Senthilnathan Ramachandran	Non-Promoter	1,00,000
45.	Vummidi Enterprises LLP	Non-Promoter	1,00,000
46.	Ranjit Girish Manjarekar	Non-Promoter	1,00,000
47.	V Kamala	Non-Promoter	75,000
48.	Ravindranath N K	Non-Promoter	75,000
49.	Venkidusamy Sakthivel	Non-Promoter	70,000
50.	Kalpana Sathishkumaran	Non-Promoter	65,000
51.	Hemankur Upadhyaya	Non-Promoter	60,000
52.	Dipco Estates Private Limited	Non-Promoter	50,000
53.	K M Dhivya Prabha	Non-Promoter	50,000
54.	Vasantha Sannapureddy	Non-Promoter	27,000
55.	Anurag Sannapureddy	Non-Promoter	27,000
56.	Vidhya Shree C	Non-Promoter	25,000
57.	C Vaasudevaan	Non-Promoter	25,000
58.	M Indira	Non-Promoter	20,000
59.	Shree Balaji Com LLP	Non-Promoter	15,000
60.	R Balaji	Non-Promoter	10,500
61.	Gowri	Non-Promoter	10,000
62.	Rajeshwari Subramanian	Non-Promoter	10,000
63.	Palanivel Rajan	Non-Promoter	7,000
64.	K K K Vishal Kailash	Non-Promoter	6,700

65.	S. Prabhu	Non-Promoter	5,000
66.	Arunadevi Murugesan	Non-Promoter	5,000
67.	Chellamuthu Nallasamy	Non-Promoter	3,000
68.	Mitun Lakshminarayanan	Non-Promoter	2,700
69.	Nanjundan Pramya	Non-Promoter	2,500
Total			**4,00,00,000**

INDUSTRY OVERVIEW

*Unless otherwise indicated, the industry and market data used in this section have been derived from the report "Assessment and outlook on India's iron and steel industry" dated June 2024 (the "**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited which has been exclusively commissioned and paid for by the Company to enable the investors to understand the industry in which we operate in connection with the Issue.*

The data may have been re-classified by us for the purposes of presentation. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured. 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.

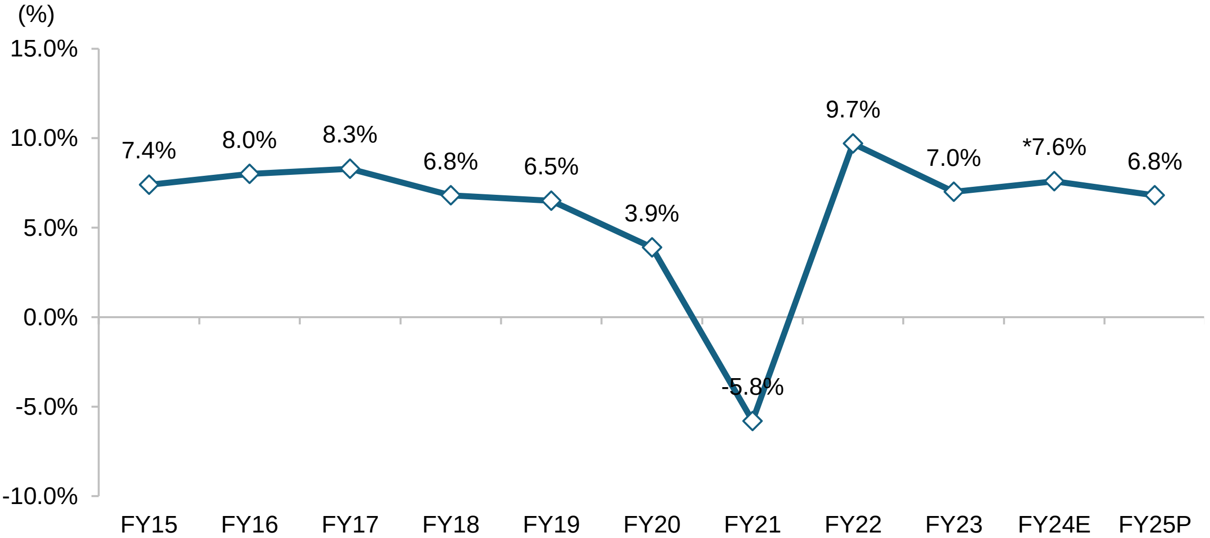
Further, statements in this section that are not statements of historical fact constitute "forward looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results or outcomes to materially differ. Accordingly, investors should not place undue reliance on or base their investment decision on this information.

REVIEW AND OUTLOOK OF INDIA'S ECONOMY

Review and outlook

The National Statistical Office's (NSO) second advance estimate has pegged India's real gross domestic product (GDP) growth at 7.6% on-year for fiscal 2024, higher than 7.0% in the previous fiscal 2023.

Historical GDP growth and outlook



** NSO Second Advance Estimates*
E – estimated; P – projected
Source: Reserve Bank of India (RBI), National Statistical Office (NSO), CRISIL MI&A Research

Despite weak agricultural growth (0.7% in fiscal 2024 vs 4.7% in fiscal 2023), overall GDP growth is expected to be robust, indicating that the surge in non-agriculture sectors more than offset the slowdown in agriculture. Construction, the most labour-intensive sector, is estimated to have grown the fastest in fiscal 2024, at 10.7%, compared with 4.9% on average in the previous decade. This was attributable to infrastructure spending of the government and revival in the housing sector. Manufacturing, too, picked up (8.5% vs -2.2%), supported by lower input prices. And utilities posted healthy growth of 7.5% (vs 9.4%), propelled by a surge in electricity production. The government released details on saving, investment and consumption trends in the country until fiscal 2023 as well. Fiscal 2023 — the first normal year post the pandemic — saw gross domestic savings fall to 30.2% of GDP compared with 31.2% in the previous year. This was also below the pre-pandemic decadal average of 32.6%.

Household savings reduced to 18.4% of GDP in fiscal 2023 from 20.1% in the previous year, as consumption normalised. But while households' financial savings fell, savings in physical assets rose. Meanwhile, private corporate savings remained stable at ~11.2% of GDP. Encouragingly, foreign capital inflow increased last fiscal, accounting for 6.1% of gross capital formation compared with 3.7% in the previous year, and higher than the pre-pandemic decadal average of 5.7%. Also, in fiscal 2024, investment share rose to a decadal high of 31.3% of GDP (in nominal terms) compared with 30.7% in the previous year. It should be noted that disaggregated data available until fiscal 2023 shows government driving investments, with private and household investments seeing only a slight uptick.

Outlook

After strong GDP growth in the past three fiscals, we expect some moderation in growth in fiscal 2025 to 6.8%.
The transmission of past rate hikes by the Reserve Bank of India (RBI) to broader lending rates continues. Rising borrowing costs and regulatory measures to clamp down risky lending could curtail domestic demand in the fiscal. On the other hand, another spell of normal monsoon and easing inflation can revive rural demand.
The lowering of the fiscal deficit will mean curtailed fiscal impulse to growth. But good quality of spending would provide some support to the investment cycle and rural incomes. We also expect normalisation of the net indirect tax impact on GDP in the current fiscal.
Uneven economic growth in key trade partners such as the US and the EU, and ongoing geopolitical uncertainties, though, could act as drags on exports.

GDP and macroeconomic outlook

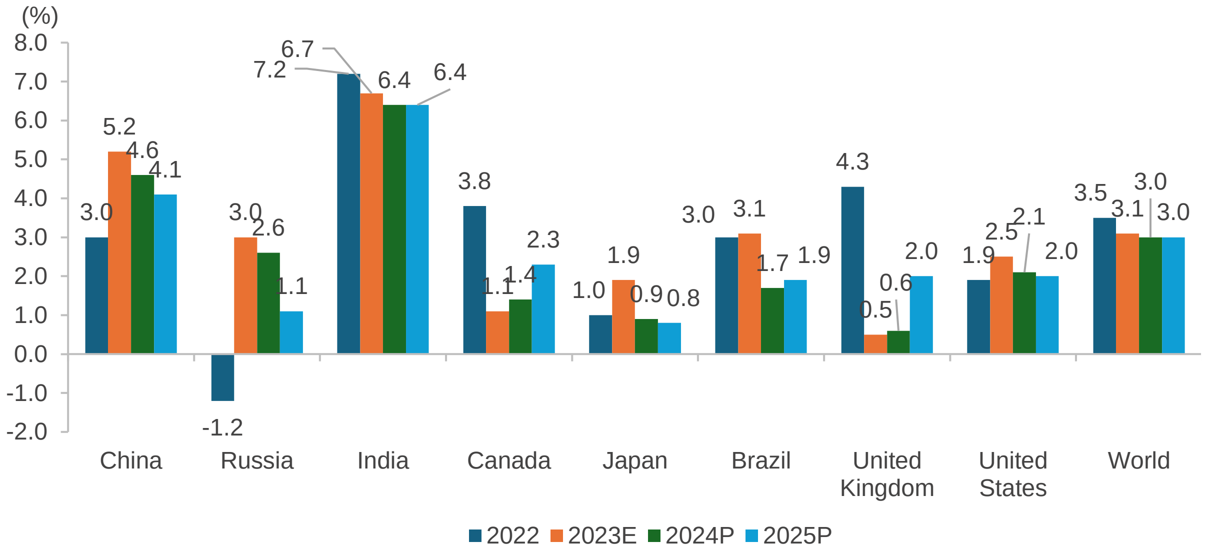
Macro variable	FY22	FY23	FY24E	FY25P	Rationale for outlook
Real GDP (%, y-o-y)	9.7	7.0	7.6*	6.8	High interest rates and lower fiscal impulse will temper domestic demand. Net indirect tax impact on GDP is expected to normalise in fiscal 2025. Uneven growth in key trading partners will restrict a healthy export recovery. But budgetary support to capex and rural farm incomes will support growth
Consumer price index (CPI)-based inflation (%, y-o-y)	5.5	6.7	5.4	4.5	Range-bound crude oil prices, high-base effect, especially in food inflation, and cooling of domestic demand will moderate inflation. A non-inflationary interim budget that has focused on asset creation rather than direct cash support bodes well for core inflation as well
Current account balance/GDP (%)	-1.2	-2.0	-1.0	-1.0	Support from remittances and healthy services exports will keep a check on the current account deficit
Rs/$ (March)	76.2	82.3	83	83.5	Low current account deficit and healthy foreign portfolio inflows into debt instruments amid a favourable domestic macro environment will support the rupee

** NSO Second Advance Estimates*
E – estimated; P – projected,
Source: RBI, NSO, CRISIL MI&A Research

India among fastest-growing economies

India is one of the fastest-growing economies globally. With the subsiding of the pandemic, the country's macroeconomic situation has started improving gradually. The twin deficits (current account and fiscal) are narrowing, and the growth-inflation mix is improving, and durably so. Also, the government has adopted an inflation-targeting framework to provide an institutional mechanism for controlling inflation, while modernising the banking system.

GDP growth outlook for key economies



P – projected
Notes:
1) Forecast for calendar year, while, for India, it is fiscal year, i.e., 2021 = fiscal 2022, 2022 = fiscal 2023
2) All forecasts are based on International Monetary Fund forecast
Source: International Monetary Fund (January 2024 outlook), CRISIL MI&A Research

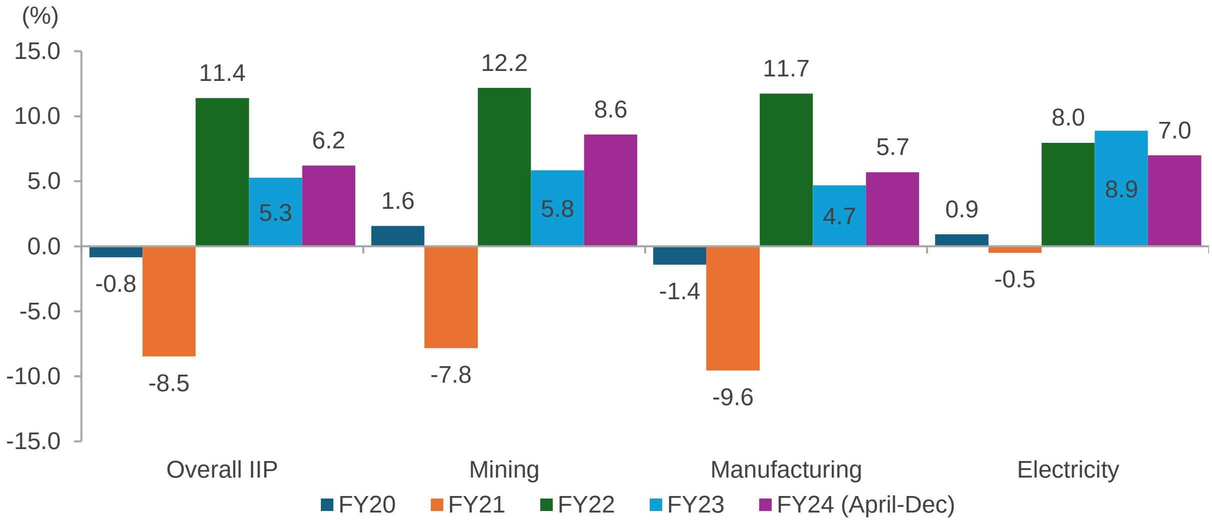
Industrial production

On average, IIP growth was lower in the second half of fiscal 2024 (5.6% between October 2023 and January 2024) compared with 6.3% in the first half. This was consistent with the NSO's Second Advance Estimate that pegged GVA growth at ~5.8% in the second half of the previous fiscal compared with 8.0% in the first half. Infrastructure and construction goods contributed to the slowdown in the second half, reflecting waning support from government capex. We expect government support to weaken further in the current fiscal as it pursues the path to fiscal consolidation. But a pick-up in private capex is critical to sustaining the investment momentum.

Private consumption has been the weak link, estimated to grow just 3.0% in fiscal 2024, much below the 7.6% GDP growth. Weak growth in consumer non-durables has driven the fall in IIP growth as well, and may be reflecting weak consumption at the bottom income segment of the population, particularly in rural areas. A normal monsoon and easing inflation, though, could support rural demand in the current fiscal. However, transmission of past rate hikes of the RBI to lending rates, along with its regulatory measures to clamp risky consumer credit, is expected to drag domestic demand in fiscal 2025.

Growth in India's major trading partners is expected to be uneven in 2024 as well, with the EU expected to post tepid growth, though the US will retain its strong momentum. Overall, global trade flows could revive on a low base of the previous year, but geopolitical uncertainty in the Middle East remains a risk, restricting a broad-based recovery in exports.

IIP on-year growth trend



Source: MoSPI, CEIC, CRISIL MI&A Research

MANUFACTURING PROCESS FOR IRON AND STEEL

Process overview

Steel is prepared from iron through a process that involves multiple stages.

The process begins with extracting and refining iron ore, the primary raw material. If the ore grade is not suitable for iron making, beneficiation is employed to increase its iron content and remove impurities. If iron ore fines are not suitable for direct usage due to their size or composition, agglomeration techniques are used. Iron ore fines can be agglomerated into larger, more uniform particles through processes such as pelletisation or sintering. Pelletisation involves forming iron ore fines into small spherical pellets using binders and additives, while sintering involves heating the fines to agglomerate them into larger particles with the help of fluxes and coke breeze. After raw material preparation, auxiliary materials such as limestone, coke and recycled steel scrap are incorporated to aid the process. Iron ore undergoes further processing in a blast furnace or through direct reduction to produce molten iron. In the blast furnace, iron ore, coke and limestone are charged, and intense heat from burning coke reduces the ore to molten iron. In direct reduction, iron ore is reduced directly in a furnace without melting, producing direct reduced iron (DRI), also known as sponge iron.

The molten iron or DRI obtained from either method serves as the foundation for steelmaking and is transferred to steelmaking vessels such as basic oxygen furnaces (BOF), electric arc furnaces (EAF) induction furnaces (IF). In the BOF process, oxygen is blown into the molten iron to oxidise impurities and reduce carbon content, while in the EAF process, electric arcs melt scrap steel and/or sponge iron. Alloying elements and fluxes are added during steelmaking to achieve the desired composition and properties of steel.

Then molten steel undergoes refining processes to further adjust its composition and remove impurities. Techniques such as degassing, desulphurisation and vacuum treatment are employed to enhance its quality. Refined steel is then cast into semi-finished products such as slabs, blooms, or billets using continuous casting or ingot casting methods. After casting, semi-finished steel products undergo finishing operations to achieve final shapes, dimensions and finishes. These operations may include hot rolling, cold rolling, forging and heat treatment. Quality control measures are implemented to ensure finished steel products meet the required specifications and standards. Finally, finished steel products may be further treated, coated, painted, or plated before being delivered to customers.

IRONMAKING PROCESS

Blast furnace

Ironmaking through a blast furnace is a foundational process in the steel industry and essential for the production of molten iron used for manufacturing a wide range of steel products. The operation of a blast furnace is a continuous process that involves various stages and components working together to efficiently convert raw materials into molten iron and slag. At the core of the blast furnace is the stack, a towering cylindrical structure constructed from steel and lined with refractory materials to withstand the extreme temperatures generated during operation. The charging system, which comprises skip hoists or conveyor belts, continuously feeds a carefully balanced mixture of iron ore, coke (a high carbon fuel derived from coking coal), and limestone (a fluxing agent) into the furnace from the top. This mixture, known as the charge, descends through the stack, encountering progressively higher temperatures as it moves downward. Chemical reactions within the blast furnace are crucial for transforming the raw materials into molten iron and slag. The reduction of iron ore occurs through the reaction of iron oxides with carbon monoxide (CO) generated from the combustion of coke. Simultaneously, limestone serves as a flux, reacting with impurities and forming slag.

The molten iron, being denser, sinks to the bottom of the furnace and is periodically tapped off through openings known as tapholes. Similarly, the lighter slag floats on top of the molten iron and is also tapped off for further processing. Blast furnace ironmaking remains a dominant method globally due to its cost-effectiveness, scalability and ability to utilise a wide range of raw materials. However, it is not without environmental challenges. The combustion of coke in the blast furnace generates significant emissions of carbon dioxide (CO_2). Efforts to mitigate the environmental impact of blast furnace operations include the development and implementation of technologies such as carbon capture and utilisation (CCU) and ongoing research on the use of alternative reducing agents and renewable energy sources to reduce the carbon footprint of ironmaking processes.

Direct reduced iron

Also known as sponge iron, DRI has emerged as a key alternative feedstock for steelmaking, offering several advantages such as lower energy consumption, reduced environmental impact in some cases and greater flexibility in raw material sourcing. This report provides an overview of the DRI-based steelmaking process, detailing its operation, advantages and applications in the steel industry.

Gas-based DRI production

DRI is produced through the direct reduction of iron ore using reducing gases such as natural gas or syngas derived from coal or biomass. The process can occur in a shaft furnace (Midrex process) or a fluidised bed reactor with iron ore pellets and reducing gas fed into the reactor. It generates lower carbon emissions and improves process efficiency compared with coal-based methods but may be influenced by fluctuations in gas prices and availability of gas.

Gas-based DRI production offers several advantages over traditional iron-making methods. First, it requires less energy compared with methods such as the blast furnace route, as the process eliminates the need for coke and preheating of raw materials. Additionally, DRI-based steelmaking emits lower levels of greenhouse gases, especially CO_2, due to the use of natural gas or syngas as reducing agents.

Coal-based DRI production

It involves direct reduction of iron ore using coal or coke as the primary reducing agent. The process typically occurs in an inclined kiln, where iron ore pellets and coal are fed from the top and reducing gases are generated in the lower section of the kiln. While coal-based DRI production is well-suited for regions with abundant coal resources, it may face challenges related to environmental regulations and carbon emissions. DRI serves as a versatile feedstock for steelmaking in EAF, IF and BOF processes. In EAF, DRI is melted along with scrap steel using electric arcs generated between electrodes and the metal charge. In BOF, DRI is charged into the furnace, along with molten iron from blast furnaces or other sources, reducing the need for coke and lowering carbon emissions.

India's journey towards adopting DRI technology began in the 1970s when the first coal-based DRI plant was commissioned in the country. Initially, the focus was on utilising indigenous coal resources to produce sponge iron, thereby reducing the dependence on imported steelmaking raw materials. Today, coal-based DRI production continues to play a significant role in India's steel industry, with the country being one of the world's leading producers of sponge iron.

Steelmaking

BOF

Also known as the oxygen converter, BOF is one of the most pivotal innovations in steelmaking and has revolutionised the industry since its introduction in the mid-20th century. Its development was a response to the limitations of the Bessemer process, which relied on air blown through molten iron to remove impurities but struggled with phosphorus removal and steel quality control. BOF addressed these challenges by introducing pure oxygen into the process, enabling higher temperatures and more efficient removal of impurities. In its basic operation, BOF consists of a pear-shaped vessel lined with refractory bricks, capable of holding several hundred tonnes of molten iron. The furnace is charged with molten iron from a blast furnace or DRI unit, along with scrap steel and fluxes such as lime. Oxygen is then blown into the furnace at supersonic speeds through a lance, initiating a highly exothermic reaction with carbon and other impurities present in molten iron.

One of the key advantages of the BOF process is its versatility in steelmaking, allowing for the production of a wide range of steel grades with precise control over composition and properties. This versatility has made BOF the preferred method for producing high-quality steel used in automotive, construction and infrastructure applications. Additionally, the BOF process is highly efficient, with production cycles typically lasting less than an hour and requiring minimal energy inputs compared with other steelmaking methods. Despite its numerous advantages, the BOF process is not without challenges. One notable drawback is its reliance on large-scale infrastructure, including blast furnaces for pig iron production and oxygen plants for supplying pure oxygen. Additionally, the BOF process generates significant emissions of CO_2 from the combustion of carbon in the molten iron, contributing to climate change concerns.

EAF

This process offers versatility, efficiency and environmental benefits. After originating in the late 19th century, the EAF process has evolved into a highly efficient method for melting and refining scrap steel into high-quality products, making it a critical component of the steel industry's sustainability efforts. Operationally, EAF comprises a large refractory-lined vessel equipped with graphite electrodes. Scrap steel, alongside necessary alloying agents and fluxes, is charged into the furnace, where electric arcs are generated between the electrodes and the metal charge. These arcs produce intense heat, melting the scrap steel and enabling the removal of impurities through oxidation and slag formation. This process enables precise control over steelmaking parameters, facilitating the production of a wide range of steel grades tailored to specific customer requirements.

The environmental sustainability of the EAF process is a significant advantage. By utilising scrap steel as its raw material, EAF substantially reduces the energy and carbon footprint associated with steelmaking compared with conventional methods. Additionally, the ability to operate on renewable energy sources further enhances its environmental credentials, positioning EAF as a preferred option for steel producers committed to reducing carbon emissions and environmental impact.

However, challenges persist in this process, too. Dependence on high-quality scrap steel as a raw material subjects the process to market fluctuations and availability constraints. Moreover, production costs could be vulnerable to fluctuations in energy prices due to substantial electricity consumption for the EAF process.

Induction furnace

The induction furnace operates on the principle of electromagnetic induction, where electrical energy is converted into heat within a conductive material through electromagnetic fields. The furnace consists of a refractory-lined vessel containing a crucible, where the metal charge is placed. Alternating current (AC) is passed through copper coils surrounding the crucible, generating an electromagnetic field that induces electrical currents and heat within the metal charge. This rapid and efficient heating process melts the metal charge, allowing for precise temperature control and alloying. Induction furnace technology offers several advantages over traditional steelmaking methods. First, it provides rapid and efficient heating, resulting in shorter melting times and higher productivity. Additionally, induction furnaces are highly flexible and can accommodate a wide range of steel scrap and alloying materials, making them suitable for producing various steel grades.

Induction furnaces find application in both primary steelmaking, where they are used to melt steel scrap and produce molten metal, and secondary steelmaking, where they are employed for refining and alloying processes. They are especially well-suited for the production of specialty steels and alloys requiring precise composition control and low levels of impurities. Induction furnaces are widely used in foundries, mini mills and specialised steel production facilities, contributing to the production of high-quality steel products for various industries.

They gained prominence in India during the late 20th century, driven by factors such as technological advancements, changes in regulatory policies and market dynamics. A key driver of the rise of induction furnace technology in India was the lower availability and rising cost of raw materials such as iron ore and coking coal, which are essential for traditional steelmaking processes such as BOF. Scarcity prompted steel producers to explore alternative methods for steel production, leading to a greater emphasis on scrap-based steelmaking techniques such as the induction furnace.

Secondary refining

Also known as ladle metallurgy or secondary steelmaking, secondary refining plays a vital role in enhancing the quality, purity and properties of steel after its initial production in primary steelmaking processes such as BOF or EAF. It involves a series of refining operations performed in ladles or other vessels outside the primary steelmaking furnace, enabling precise control over composition, temperature and impurity levels. One of the primary objectives of secondary refining is to adjust the chemical composition of steel to meet specific customer requirements or industry standards. This may involve the addition of alloying elements such as chromium, nickel, manganese, or molybdenum to enhance strength, corrosion resistance, or other mechanical properties. Additionally, secondary refining enables the removal of undesirable elements such as sulphur, phosphorus and nitrogen, which can degrade the steel's performance or cause brittleness and other defects.

Several secondary refining processes are commonly employed in the steel industry to achieve these objectives. One such process is vacuum degassing, which involves subjecting molten steel to a vacuum environment to remove dissolved gases such as hydrogen, oxygen and nitrogen. Vacuum degassing helps improve steel cleanliness, reduce porosity and enhance mechanical properties such as ductility and toughness. Another common process is ladle stirring or agitation, which promotes mixing and homogenisation of alloying elements and impurities within the molten steel, ensuring uniform composition and properties throughout the steel bath. Furthermore, secondary refining may involve desulphurisation and deoxidation treatments to reduce sulphur and oxygen levels in the steel. Desulphurisation processes, such as calcium treatment or injection of desulphurising agents such as aluminium or magnesium help mitigate the harmful effects of sulphur on steel quality, such as hot cracking and brittleness. Deoxidation treatments, such as aluminium or silicon addition, remove oxygen from steel to prevent the formation of undesirable oxide inclusions, which can impair weldability and surface quality.

Alloyed and non-alloyed steel

These are two fundamental categories within the broader spectrum of steel materials, each possessing distinct properties, applications and manufacturing processes.

Non-alloyed steel, often referred to as carbon steel, is primarily composed of iron and carbon, with trace amounts of other elements. Carbon steel is known for its strength, hardness, and affordability, making it suitable for a wide range of applications, including structural components, machinery parts and automotive components. Its versatility and ease of fabrication have contributed to its widespread use across various industries. In contrast, alloyed steels contain additional alloying elements beyond carbon, such as chromium, nickel, manganese, and molybdenum, among others. These alloying elements are added to modify steel's properties, such as strength, hardness, corrosion resistance and heat resistance, to meet specific application requirements. Alloyed steels can be further categorised into several subtypes based on their composition and intended use, including stainless steel, tool steel, and high-strength low-alloy (HSLA) steel.

Stainless steel, for example, is alloyed with chromium and often nickel to enhance corrosion resistance and provide a lustrous appearance. It is commonly used in applications requiring resistance to corrosion, such as kitchen utensils, cutlery, and medical instruments. Tool steel, on the other hand, is alloyed with elements, such as tungsten, vanadium and cobalt, to improve wear resistance, toughness and heat resistance, making it suitable for cutting, drilling and forming tools. HSLA steel is alloyed with elements, such as niobium, titanium and copper, to enhance strength and toughness while maintaining weldability and formability, making it ideal for structural and automotive applications.

The manufacturing processes for alloyed and non-alloyed steel differ based on the desired composition and properties of the final product. Non-alloyed steel is typically produced through traditional steelmaking methods, such as the BOF or EAF route, where iron ore and carbonaceous materials are melted and refined to produce molten steel. Alloyed steels, on the other hand, require precise control over alloying elements during the steelmaking process. Specialty alloys may be added during steelmaking, or the steel may be subjected to secondary processing, such as heat treatment or alloying in the ladle, to achieve the desired composition and properties.

Semi-finished steel

Semi-finished steel products, including slabs, blooms, and billets, serve as intermediate forms in the steel production process, undergoing further processing and shaping before reaching their final form as finished steel products. These semi-finished products are crucial components of the steel supply chain, providing versatility, efficiency, and flexibility in meeting the diverse demands of various industries and applications. Slabs are one of the primary semi-finished steel products, typically produced through continuous casting processes in steelmaking facilities. They are rectangular in shape and serve as the starting material for the production of flat steel products such as plates, sheets, and strips. They are characterised by their large size and uniform thickness, making them ideal for subsequent rolling and forming processes.

Blooms are another essential form of semi-finished steel products, typically produced through continuous casting or ingot casting processes. They are characterised by their square or rectangular cross-section and relatively large size compared with other semi-finished products. They serve as feedstock for production of long steel products such as bars, rods and structural shapes. Blooms are often further processed through hot rolling or forging operations to achieve the desired size, shape and mechanical properties required for specific applications. Billets represent a smaller form of semi-finished steel products compared with slabs and blooms, typically produced through continuous casting or ingot casting processes. They are characterised by their round or square cross-section and relatively smaller size, making them suitable for further processing into wires, rods, bars and other long steel products.

Finished steel products

Flat and long steel products are essential components of the global steel industry, serving diverse applications across various sectors, including construction, automotive, manufacturing, infrastructure and engineering. These products are manufactured through a series of processes, including rolling and finishing, resulting in a wide range of shapes, sizes and specifications tailored to meet specific customer requirements.

Flat steel

Flat steel products are characterised by their flat and thin shape, making them ideal for applications requiring strength, durability and surface quality. One of the major flat steel products is hot-rolled coils (HRCs), which are produced by hot rolling steel slabs or billets at high temperatures, followed by rapid cooling. HRCs are widely used in structural applications such as buildings, bridges and pipelines, as well as in the manufacturing sector for machinery parts, automotive components and appliances. Another important flat steel product category is cold-rolled coils (CRCs), which are produced by cold-rolling HRCs to achieve smoother surface finish, tighter dimensional tolerances and improved mechanical properties. CRCs are commonly used in applications requiring superior surface quality and dimensional accuracy, such as automotive body panels, electrical enclosures and consumer goods.

Hot-dip galvanised (HDG) sheets are CRCs coated with a layer of zinc through a hot-dip galvanising process. This coating provides corrosion resistance and durability, making HDG sheets suitable for outdoor structures, roofing, fencing and automotive components. In addition, coated steel products such as galvanised and galvannealed sheets offer enhanced corrosion protection and are widely used in construction, infrastructure and manufacturing sectors.

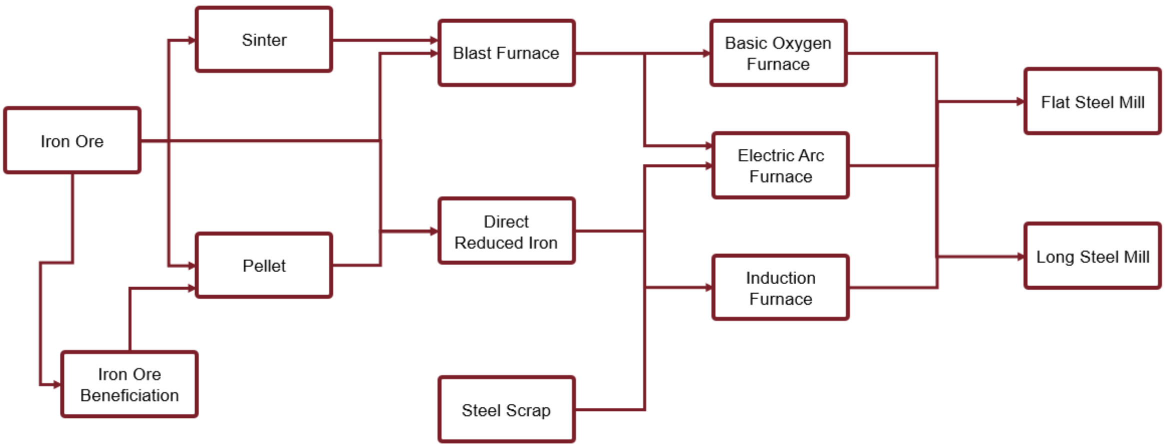
Long-steel (non-flat steel)

Long steel products, characterised by their elongated shape, play a critical role in various industries, including construction, infrastructure, manufacturing and engineering. These products are manufactured through processes such as steelmaking, casting, rolling and finishing, resulting in a diverse range of shapes, sizes and specifications tailored to meet specific customer requirements. One of the most common long steel products is reinforcement bars (rebars), which are widely used in construction projects to reinforce concrete structures and provide tensile strength. Rebars are typically made from carbon steel and have a ribbed surface to improve bonding with the concrete. They come in various grades, sizes and configurations to meet different structural requirements. For example, high-strength rebars are used in seismic zones or high-rise buildings, while epoxy-coated rebars offer corrosion resistance in harsh environments.

Wire rods are another essential long steel product category with a circular cross-section, typically produced from low-carbon steel billets through hot rolling. They serve as feedstock for various wire products used in construction, manufacturing and automotive industries. They are drawn through a series of dies to reduce their diameter and improve surface finish, producing wires of different gauges and properties. Wire products manufactured from wire rods include wire ropes, nails, screws, fences, cables, springs and wire mesh, among others.

Structural sections, also known as structural steel shapes, are long steel products used in a wide range of structural applications. They include beams, channels, angles and rails. Beams, also called I-beams or H-beams, are characterised by their H-shaped cross-section and are commonly used in building construction for framing and supporting structures. Channels, with a C-shaped cross-section, are used for similar purposes as beams but offer different load-bearing characteristics. Angles are L-shaped structural steel sections used for bracing, framing and decorative applications. Rails, on the other hand, are long steel sections used in railway tracks to provide support and guidance for trains, ensuring safe and efficient transportation of goods and passengers.

Iron and steel making process summary

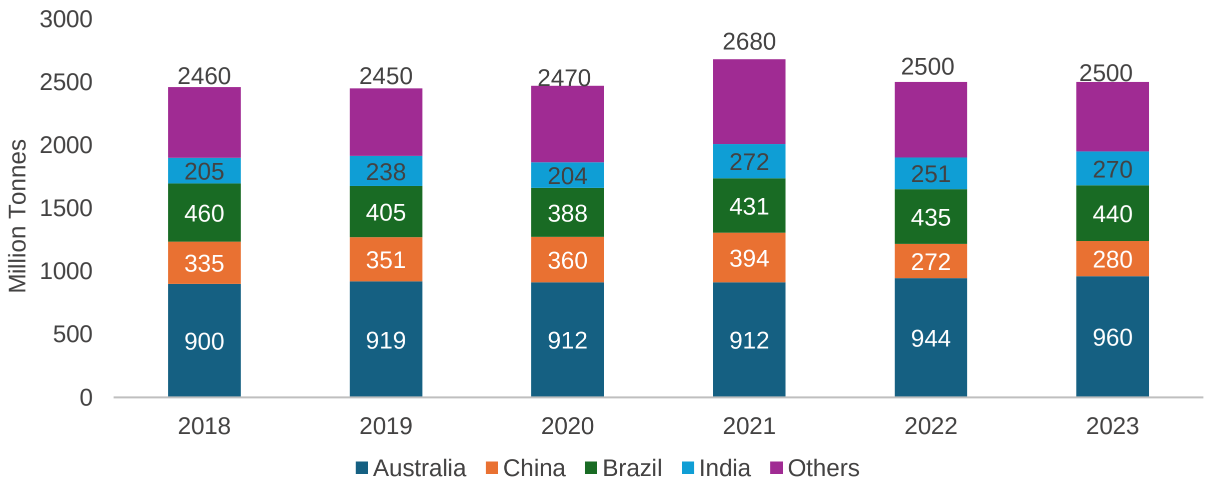


GLOBAL IRON AND STEEL INDUSTRY OVERVIEW

Iron ore

Iron ore is the main raw material in steel making. Manufacturing a tonne of steel requires 1.5-1.7 tonne of iron ore, apart from other raw materials, such as coking coal, thermal coal and ferro alloys. As steel becomes more integrated into global value chain, its basic raw material, iron ore, assumes major importance. Almost 98% iron ore mined globally is used in steelmaking. Iron ore is mined in about 50 countries and its production depends on the geological presence of reserves in a particular region, the feasibility of mining the same and technologies available.

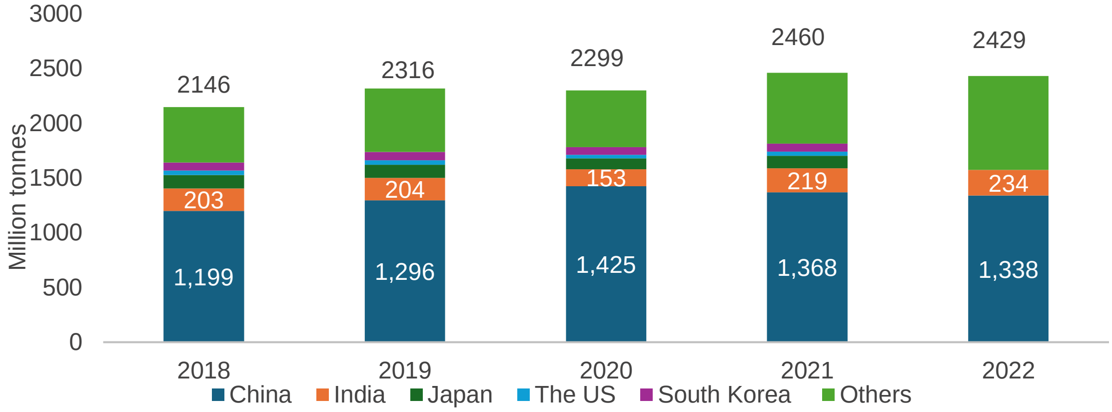
Production of iron ore (2018-2023)



Source: World Steel Association, 2023 numbers are estimates

Iron ore production is estimated to have remained flattish, touching 2,500 million tonne (MT) in 2023, as steel production (key driver for iron-ore production) remained almost the same as in 2022. In 2022, global iron ore production stood at 2,500 MT, down 6.7% on-year due to lower demand from major crude steel producing nations. Over the period, crude steel production fell 3.7% on-year. According to the World Steel Association (WSA), the global steel sector used 2.3 billion tonne of iron ore to produce 1.95 billion tonne of crude steel in 2021. Between 2018 and 2023, global iron ore production logged a CAGR of 0.3%. Australia is the leading producer of iron ore, accounting for 38% of the global output in calendar 2023. The other major iron ore producers are Brazil, China and India, having a share of 18%, 11.2% and 10.8%, respectively. These four countries produced 75-80% of the global iron ore output from 2018 to 2023.

Apparent consumption of global iron ore (2018-2022)



Source: World Steel Association

Driven by crude steel production, world iron ore consumption stood at 2,460 MT in 2021 and 2,429 MT in 2022. The fall in ore demand is attributed to a drop in its end-user segment, which is steel production. In 2023, ore demand is likely to have remained flattish on-year as crude steel production in 2023 was the same as in 2022. Since crude steel production is expected to grow marginally in 2024, iron ore consumption is also expected to be in line with steel production growth numbers.

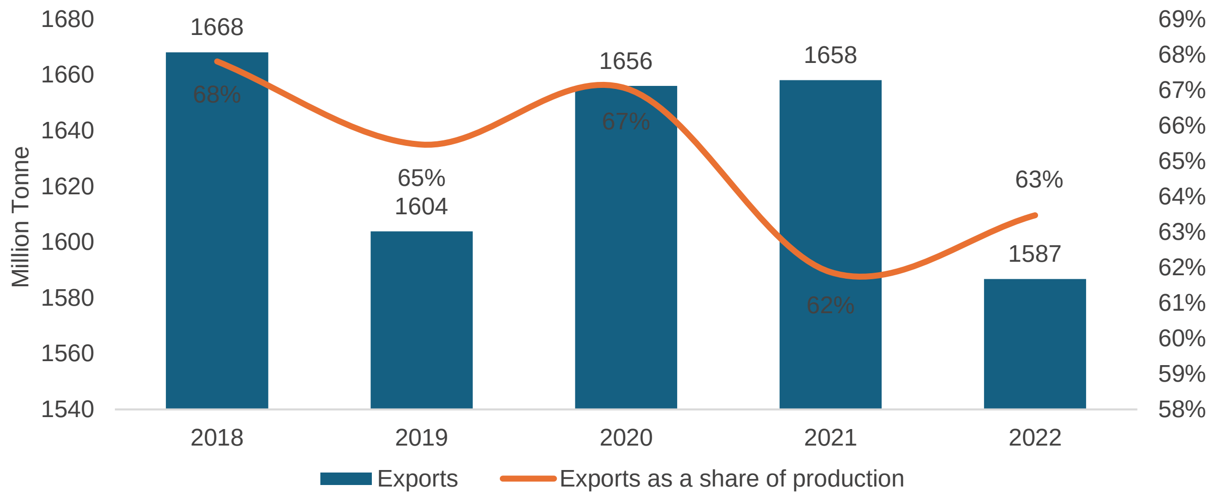
The major iron ore consuming nations are the crude steel producing countries, such as China, India, Japan, the US and South Korea. China usually constitutes 55-60% of global iron-ore demand. In 2021, China's iron ore demand comprised 55% of global demand due to its enormous steel-producing capacities. In 2022, China's ore demand touched 1338 MT, a drop of 0.2% on-year due to a decline in crude steel production. Since steel demand is expected to fall marginally in 2024 due to decarbonisation goals and weak demand from its end-user segments, especially the construction sector, iron ore consumption is also likely to inch down.

India is the second largest consumer of iron ore, with a demand of 219 MT in 2021. In 2022, the demand stood at 233.8 MT due to the growth in the crude steel sector. In the coming years, the demand is expected to grow at a healthy pace, in line with the steel sector.

Global iron ore trade (2018-2022)

Demand for iron ore is driven by steel demand across geographies. The main iron ore exporting countries are not major steel producers. Their domestic ore consumption is therefore lower, resulting in a surplus that is exported. Likewise, the major importing countries have a shortfall in domestic output, making them import-dependent. Also, there are other factors, such as the unavailability of the required iron ore grade and cheaper prices in the global markets, which encourage some countries to import. Global iron ore exports over 2018-2022 are given below.

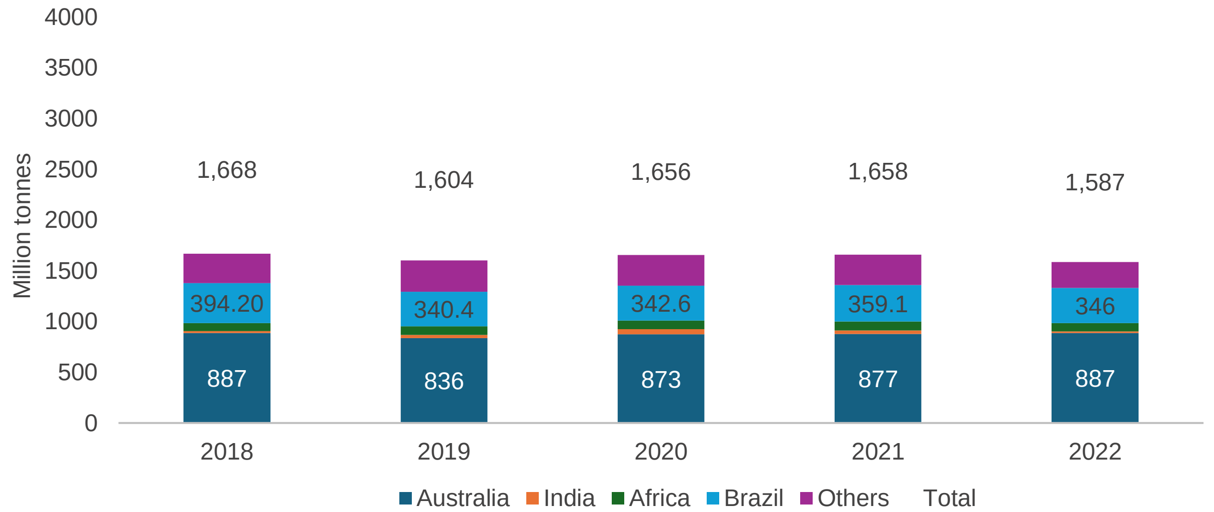
Global iron ore exports (2018-2022)



Source: USGS

In 2022, global iron ore exports declined 4.3% on-year to 1,586 MT, due to low export numbers from India amid duty across steel products in the country. Over 2018-2022, exports declined at -1.2% CAGR. Almost every year, 60-70% of iron ore produced was exported.

Region-wise iron ore exports (2018-2022)

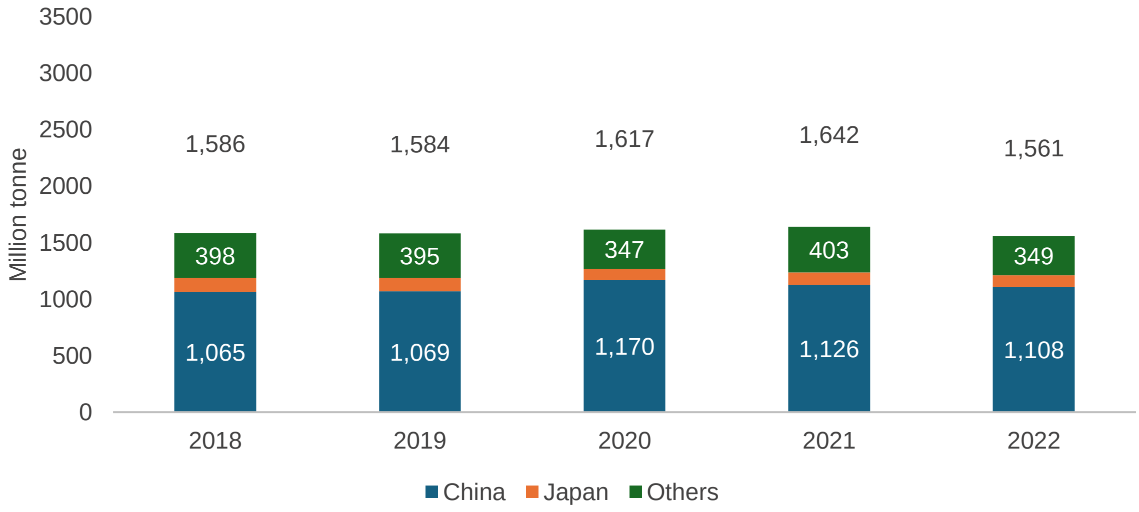


Source: World Steel Association

Australia is the largest exporter of iron ore in the world. In 2022, the country exported nearly 887 MT, accounting for ~ 57% of the global iron ore market. While the country has huge iron ore reserves, its crude steel production is minimal, making it a major ore exporter. In 2022, Australia exported 95% of its production. The other leading exporters of iron ore are Brazil (22% global market share), Africa (5%) and India (1%).

In 2022, Indian iron ore exports stood at 16 MT, with China being the major destination, according to the WSA. India exported 6% of the ore produced in the country. In 2022, Indian iron ore exports dropped on-year, due to the implication of its export duty in May 2022. However, the duty was removed in November 2022. Major Indian steel players have captive mines for their ore requirement.

Region-wise iron ore imports (2018-2022)

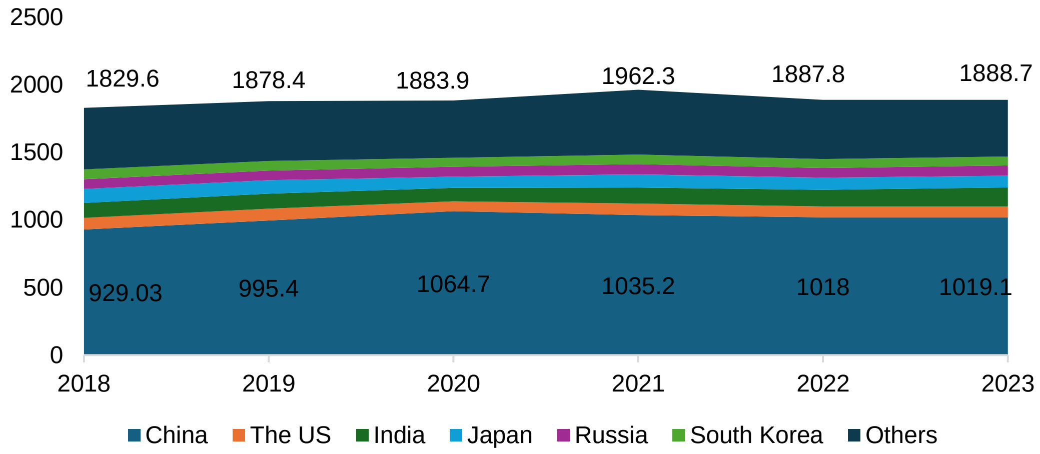


Source: World Steel Association

China and Japan are the major iron ore importers. China tops with a 70.9% share of global ore imports as of 2022. The country is the top crude steel producer, accounting for 50-55% of global production. In 2022, the country's iron ore production (feasible grade for production) was 21% of its apparent ore consumption, making it a net importer. Over 2019-2022, its ore imports were 4-5 times its domestic production since demand outstripped domestic supply by a huge margin. Japan had a 7% share in the imports market in 2022. It was the third largest steel producer in 2023. The country relies fully on other nations for iron ore as its domestic production is almost zero.

Crude steel

Production of crude steel over 2018-2023 (in MT)

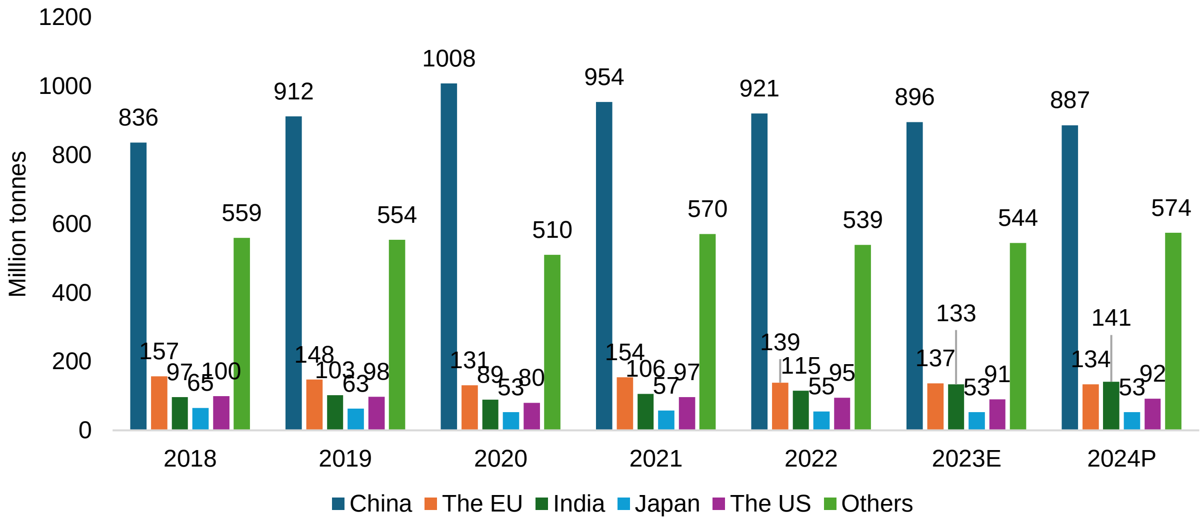


Source: World Steel Association (WSA)

Crude steel production grew at a 0.6% CAGR from 2018 to 2023. Production remained flat on-year at 1888.7 MT in 2023 compared with 1887.8 MT in 2022. Steel production growth of major countries slowed due to concerns over the real estate sector in China and the impact of recessionary pressure across the globe on demand as well as production. However, production in India grew in double digits due to fast-paced growth in infrastructure and construction segments. The government's infrastructure spend increased 15% on-year in fiscal 2024 as per the interim budget for fiscal 2025 (fiscal 2024 revised estimates vs fiscal 2023 actual spend). Global crude steel production fell 3.7% on-year to 1,888 MT in 2022 owing to a weak global economy and subdued Chinese demand due to Covid-19 lockdowns.

Usually, China accounts for 50-55% of global steel production due to enormous domestic demand from real estate and automobile sectors. Besides being the world's second most populous country, China is also the world's largest manufacturing hub and exporter of goods. However, Chinese steel production growth is expected to moderate in the future due to its ambitious decarbonisation goals and saturation in end-user segments, impacting the global steel sector. Meanwhile, the Indian steel sector is expected to witness a healthy CAGR in the coming years due to growing demand from end-use sectors such as infrastructure, construction and automobiles.

Global steel consumption (2018-2024)



**2024 numbers are estimate*
Source: WSA

Global finished steel consumption growth (2018-2024)

Global demand growth %	2018	2019	2020	2021	2022	2023E	2024P
Total	5%	4%	1%	3%	-4%	0%	1.5%
China	8%	9%	11%	-5%	-3%	-3%	-1.0%
The EU	-4%	-6%	-12%	18%	-10%	-1%	3%
India	9%	6%	-13%	19%	8%	16%	6%
Japan	2%	-3%	-17%	9%	-4%	-4%	1%
The US	2%	-2%	-18%	21%	-3%	-4%	2%
Others	3%	-1%	-8%	12%	-6%	1%	5%

**2024 numbers are estimates*
Source: WSA

According to WSA, global finished steel consumption declined 0.29% on-year to 1,763 MT, on a 1% slowdown in demand in Europe due to the impact of geopolitical uncertainty, inflationary pressures and above-average energy prices on end-user segments. There was a 4% demand squeeze in major economies such as the US and Japan due to recessionary pressures, labour shortage and cost pressures. Demand in China, which has a major share in global steel demand, too, was less than expected and fell 3% due to the country's ailing property sector. However, Indian demand grew 16% on-year with robust demand from allied sectors. Over 2018-2023, finished steel consumption grew at a 0.5% CAGR.
Indian steel demand growth has outpaced the global demand growth rate for the last five years, it is expected to grow at more than 3x the global steel demand growth rate in the next five years.

Outlook

Global steel consumption is likely to increase 1-2% on-year in 2024 as demand growth rates in the US and the European Union (EU) are expected to be positive. In the EU, the effects of geopolitical uncertainty, inflation and energy prices are expected to subside in 2024 and steel demand is expected to improve in the second half of 2024. Also, the US Federal Reserve is expected to announce a series of interest rate cuts this year that could help revive the housing sector. Various policies promoting clean infrastructure projects will drive demand after two years of de-growth.

The revival of China's property sector will hinge on the government's actions. The results of a series of stimulus announcements announced in 2023 are expected to emerge this year. India's consistent healthy growth rates make it stand out among its global peers. With moderation in segmental growth, demand is expected to grow 6-7% on-year in 2024.

Crude steel per capita consumption (finished steel products)

in kg	2018	2019	2020	2021	2022
China	590	641.3	707.6	669	645.8
The US	300.4	291.9	238.2	288	279.4
India	70.7	74.2	64	75.5	81.1
Japan	518.1	502.5	420.3	460.7	443.6
Russia	283.7	298.6	290.6	302.7	288.3
South Korea	1039.3	1027.5	948.9	1081.2	988
World	223.2	229.2	228.4	233	221.8

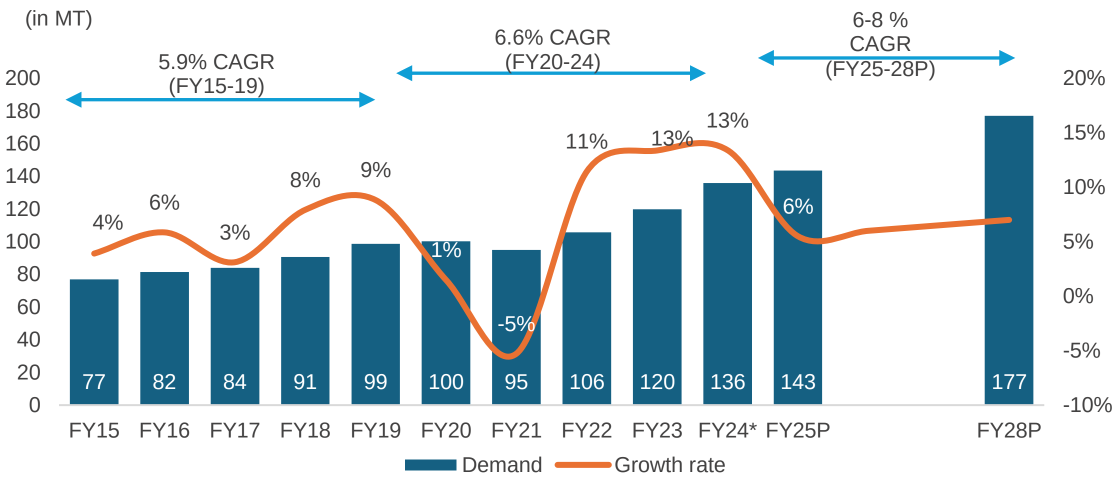
Source: WSA

South Korea, a developed country with high per capita income, had the highest per capita steel consumption of 988 kg in 2022 due to its enormous automobile and ship building sectors. It has surpassed China and Japan, which are major steel producers, in terms of per capita consumption of steel. Currently, India's per capita consumption of steel, a key developmental indicator, is still significantly small compared with developed countries. India had the lowest per capita steel consumption of 81.8 kg in 2022, a rise from 75.5 kg in 2021. India's low steel per capita consumption is due to its lower per capita income. However, the National Steel Policy aims to increase per capita consumption of steel to 160 kg by 2030, which indicates a positive outlook for the domestic steel industry.

OVERVIEW OF INDIAN STEEL INDUSTRY

Domestic steel demand – review and outlook

Steel demand – review and outlook



**Provisional figures*
Source: JPC, Crisil MI&A Research

Domestic steel demand grew at a healthy CAGR of 6.6% between fiscals 2020 and 2024 despite the pandemic impact, wherein domestic demand momentum declined to 1% in fiscal 2020 and -5% in fiscal 2021. In the post-pandemic era, rapid recovery due to pent-up demand and increased government spending on infra and related sectors led to three consecutive years of double-digit demand growth. Demand rose 11.4% in fiscal 2022, 13.4% in fiscal 2023 and 13.4% (provisional) in fiscal 2024. While growth momentum is expected to slow down in fiscal 2025 to 5-6%, it should remain healthy at a 6-8% CAGR over fiscals 2025 to 2028.

MAJOR DEMAND DRIVERS FOR THE STEEL SECTOR

Based on end use, steel demand can be attributed to the following four major demand buckets for fiscal 2024:

- Infrastructure (30-35%)

- Building and construction (25-35%)
- Automobile (11-13%)
- Engineering, fabrication and others (25-30%)

Infrastructure

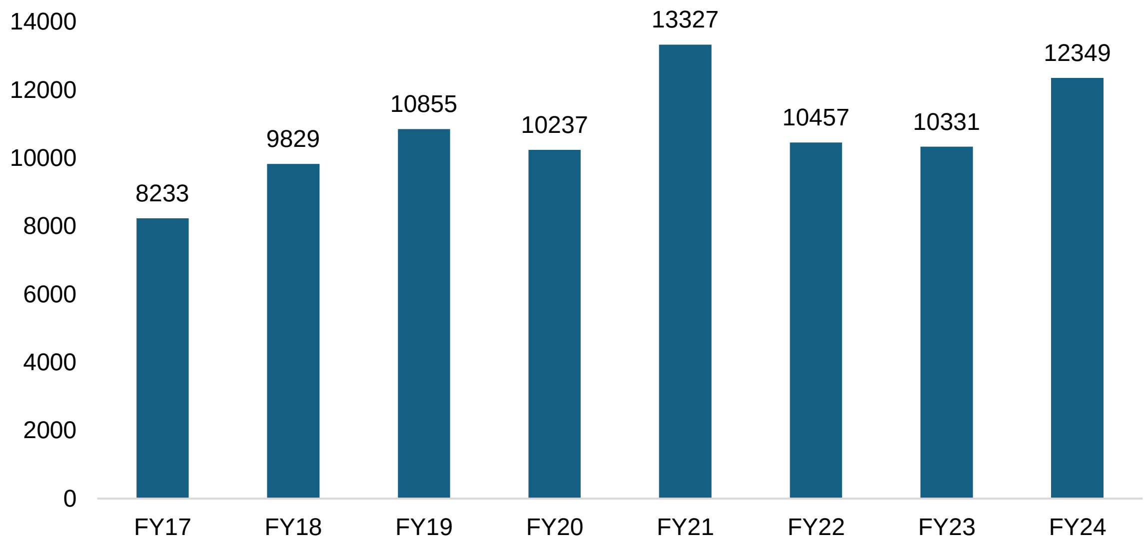
Capex towards the infrastructure sector continues to be an upward trajectory. From April to December 2023, the central government's capital expenditure rose ~47% for road ministry and ~52% for railways compared with the same period the previous fiscal. The strong momentum of infrastructure is likely to continue, led by government spending, primarily across its flagship schemes such as PM Gati Shakti and the National Infrastructure Pipeline. While the infrastructure segment is expected remain a key demand driver, only a marginal rise of 4% in capex for core infrastructure ministries[1] for fiscal 2025BE over fiscal 2024RE is expected to slow down demand growth of the infrastructure segment to 7.5-8.5% in fiscal 2025 from 17.5-18.5% in fiscal 2024 (and a CAGR of 9.5-10.5% over fiscals 2019-2023). The government's focus of developing dedicated rail corridors for energy, mineral and cement sectors, a higher budget allocation for metro, the Ude Desh ka Aam Naagrik (UDAN) scheme for airports, expansion of metro rail and Namo Bharat to more cities, ongoing National Highways Authority of India (NHAI) and Bharatmala road projects should continue to support infrastructure demand in fiscal 2025. Projects focusing on port connectivity, tourism infrastructure and amenities on islands, including Lakshadweep would also support the infra segment, along with ongoing metro construction and development of airports.

Roads-NHAI: Bharatmala Pariyojana, an umbrella project of the central government launched in 2015, aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 83,677 km of highways under the following categories: national corridors (north-south, east-west, and Golden Quadrilateral), economic corridors, inter-corridor roads, and feeder roads. Bharatmala, along with the schemes currently undertaken, requires a total outlay of Rs 6.9 trillion. Capex growth of roads and highways has witnessed a sharp moderation for the next fiscal and is only 3% higher vis-à-vis fiscal 2024RE. Similar to the previous fiscal, the entire allocation of Rs 2.72 lakh crore would be via Gross Budgetary Support (GBS) as the Internal and Extra Budgetary Resources (IEBR) limit has been completely eliminated to reduce the NHAI's dependence on market borrowings. The budgetary allocation of Rs 1.68 lakh crore towards NHAI for the next fiscal has remained flattish vis-à-vis fiscal 2024RE.

The Phase I target is ~34,800 km: 24,800 km of various categories of roads and 10,000 km of residual NHDP projects at a cost of Rs 5.35 lakh crore. As of December 2023, ~26,418 km had been awarded and ~15,045 km completed (~43% completion of target). The remaining projects are targeted for awarding by fiscal 2025. In fiscal 2024, awarding momentum was marred by various roadblocks. Phase I has witnessed significant cost overruns on account of expensive land acquisition and high inflation. As a result, the pace of execution is expected to moderate in fiscal 2025.

National highway construction (in km)

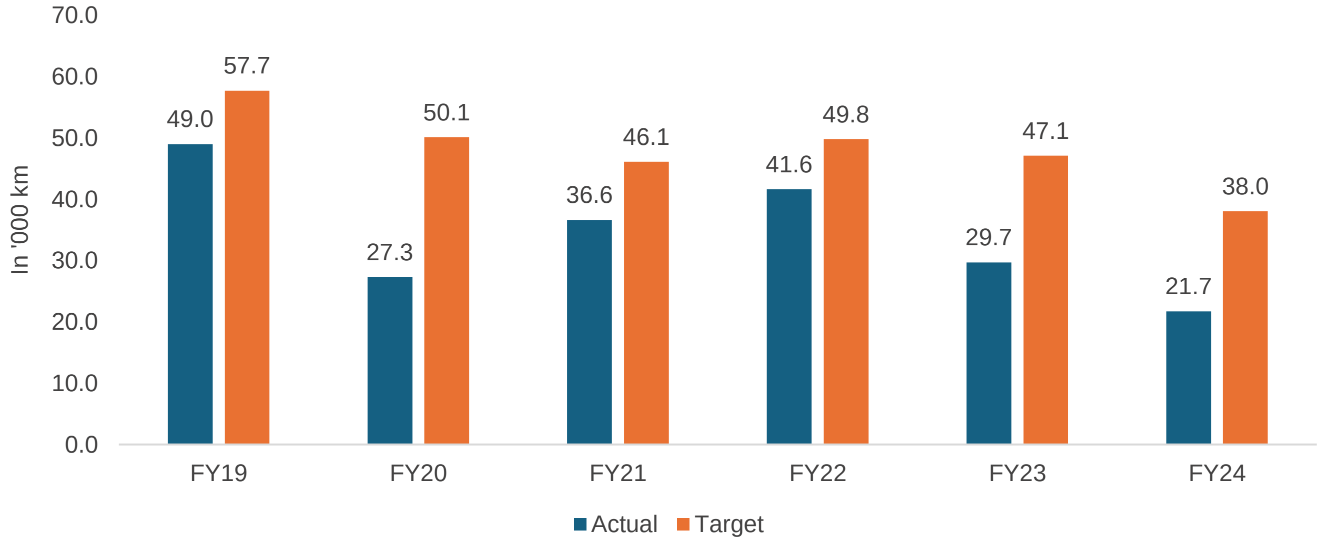
[1] Rise of 4% is for GBS allocation to core infrastructure ministries which include: the Ministry of Railways, the Ministry of Road Transport and Highways, the Ministry of Rural Development, the Ministry of Urban Development, the Ministry of Power, the Ministry of New and Renewable Energy, the Pradhan Mantri Gram Sadak Yojana, the Ministry of Water Resources, the Ministry of Shipping and the Ministry of Civil Aviation



Source: Ministry of Road Transport and Highways, CRISIL MI&A Research

Roads – Pradhan Mantri Gram Sadak Yojana (PMGSY): PMGSY seeks to provide all-weather road connectivity to all eligible unconnected habitations existing in the core network in rural areas of the country. PMGSY-I was launched in 2000 and 97% of the target was achieved. Under PMGSY-II, 75% of the target was achieved. The target for PMGSY-III is 40% lower than the length of roads constructed over the past five fiscals. Execution under PMGSY improved in fiscal 2022 as ~41,971 km was constructed against a revised target of ~50,000 km (~84% completion rate). The original target of ~61,700 km was revised downward to ~50,000 km. In fiscal 2023, a target of 47,171 km was set under the scheme, of which, ~29,700 km has been constructed. Further, out of a lower target of ~38,000 km set for fiscal 2024, ~21,700 km was constructed during the year (~57% achievement). The pace of execution is expected to moderate further in fiscal 2025 since the budgetary allocation for PMGSY has been 29% lower for fiscal 2025BE compared with fiscal 2024RE.

Actual road construction vs the target under PMGSY



Source: PMGSY, CRISIL MI&A Research

Dedicated freight corridors (DFCs): They are intended to help the Indian Railways regain freight share by cutting the turnaround time between importing and consuming destinations, compelling industries to realign their logistics strategies. Thus, roads that have outperformed railways over the past decade will lose some share to railways once DFCs are commissioned. The DFC project is estimated to cost Rs 124,005 crore for the eastern (1,337 km) and western (1,506 km) sectors. As per the project details:

The Western DFC covers 1,504 km, linking Jawaharlal Nehru Port Trust near Navi Mumbai, Maharashtra to Dadri, Uttar Pradesh, passing through Vadodara, Ahmedabad, Palanpur, Madar, Phulera and Rewari. The Eastern DFC covers 1,337 km, connecting Ludhiana, Punjab to Dankuni near Kolkata, West Bengal, passing through Haryana, Uttar Pradesh, Bihar and Jharkhand.

Both routes account for more than 20% of the pan-India primary freight in billion tonne kilometre terms. Container traffic (~65% of the Western DFC) and bulk commodities (~89% of the Eastern DFC), which dominate freight carried on these routes, are expected to shift to railways. As of February 2024, 2,557 km out of 2,843 km had been commissioned (~90% physical progress and 88% financial progress was achieved under both the eastern and western DFCs). ~100% of land has been acquired for the Western DFC. All routes of the Eastern DFC have been commissioned, while the Western DFC completion targets are delayed to December 2024.

Sagarmala: As a part of the programme, more than 800 projects at an estimated cost of ~Rs 5.48 lakh crore have been identified for implementation. This programme includes logistics projects from various categories such as modernisation of existing ports and terminals, new ports and terminals and tourism jetties, enhancement of port connectivity, inland waterways, lighthouse tourism, industrialisation around ports, skill development, and technology centres.

At an overall level, as of February 2024, 241 projects worth Rs 1.22 lakh crore had been completed out of 839 identified projects worth Rs 5.79 lakh crore under the scheme; 598 projects worth Rs 4.57 lakh crore were under implementation and in various stages of development. Projects under Sagarmala include the Special Economic Zone at the Jawaharlal Nehru Port Trust, Smart Industrial Port City at Deendayal Port and Paradip Port, and the Coastal Employment Unit at the V O Chidambaranar Port.

Construction status of projects under the Sagarmala scheme

Project/Pillar	Completed		Under Implementation		Under Development		Total	
	No. of Projects	Cost (Rs.Cr.)	No. of Projects	Cost (Rs.Cr.)	No. of Projects	Cost (Rs.Cr.)	No. of Projects	Cost (Rs.Cr.)
Port Modernization	94	31,517	65	76,958	75	1,83,147	234	2,91,622
Port Connectivity	82	41,780	67	81,191	130	83,392	279	2,06,363
Port Led Industrialization	9	45,865	3	9,247	2	775	14	55,887
Coastal Community Development	21	1,559	32	6,166	281	3,847	81	11,573
Coastal Shipping and IWT	35	1,834	67	5,617	129	7,075	231	14,526
Total	**241**	**1,22,556**	**234**	**1,79,179**	**364**	**2,78,236**	**839**	**5,79,971**

Source: Ministry of Shipping, CRISIL MI&A Research, data as of February 2024

Urban infrastructure: It includes the construction-intensive mass rapid transit system, bus rapid transit system, water supply and sanitation (WSS) projects, smart cities, and related infrastructure development. Investment in India's urban infrastructure is driven by government schemes such as the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat, the National Mission for Clean Ganga and Jal Jeevan Mission. WSS projects, metro rail construction in major Indian cities, and commencement of work on 105 smart cities have boosted urban infrastructure investments in the past five years. The central government intends to expand metro rail and Namo Bharat services to more cities with a focus on rapid urbanisation and has allocated Rs 249.3 billion for fiscal 2025BE against Rs 231.0 billion in fiscal 2024RE (7.9% higher).

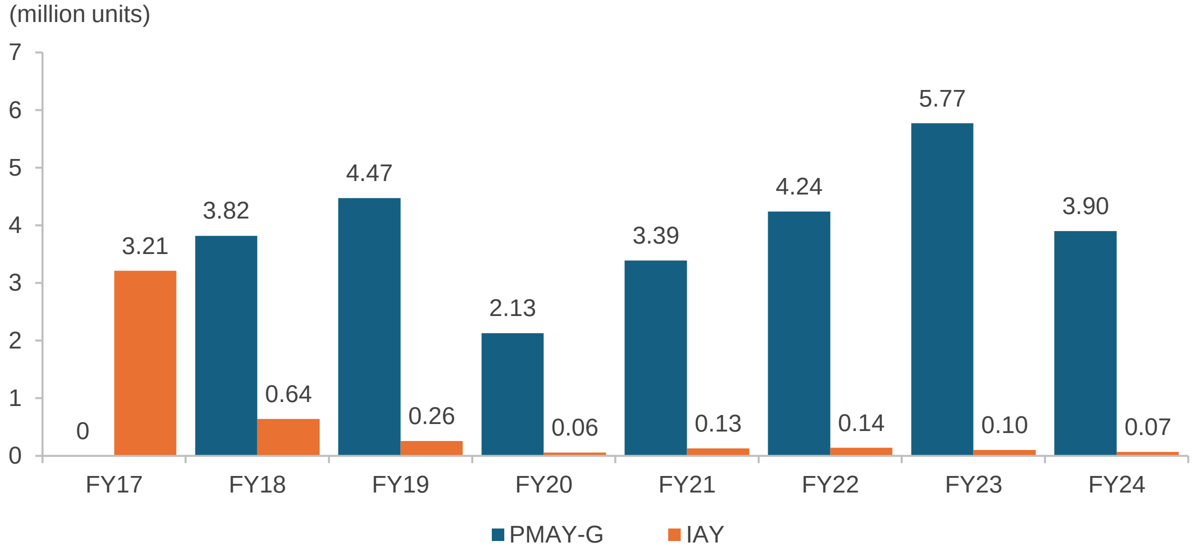
Building and construction

Rural housing demand: To achieve the Housing for All by 2022 mission, the government launched a restructured rural housing scheme, Pradhan Mantri Awas Yojana - Gramin (**PMAY**-G) in November 2016 to construct 29.5 million houses with basic amenities by 2022. As of March 2024, ~28.1 million units were sanctioned, of which, ~25.8 million houses were constructed (~92% completion against sanctioned units) and ~2.3 million units were under construction under the scheme.

In fiscal 2021, the scheme gained traction on the mass exodus of labourers to their native villages during the lockdown, which propelled them to build their own houses; healthy rabi productivity; an increase in crop procurement; and government fund allocation through the Mahatma Gandhi National Rural Employment Guarantee Act. In fiscal 2022, construction picked up further on a high base as higher sanctioning over fiscals 2020 and 2021 led to strong execution.

The construction pace was ramped up sharply in fiscal 2023 under the scheme to achieve the set targets. However, it slowed down during second half of fiscal 2024 as uneven and delayed monsoon impacted agriculture activities regionally. Execution under PMAY-G is expected to slightly moderate in the first half of fiscal 2025 due to fund diversion during elections but is expected to ramp up in the second half of fiscal 2025 due to a higher focus on rural development. Also, lower agri profitability in the previous year is likely to impact rural liquidity in the next fiscal. Hence, CRISIL MI&A Research expects steel demand growth from rural housing to moderate in fiscal 2024. The announcement in the Vote of Account 2025 to bring two crore additional houses under the ambit of PMAY-G over the next five years is likely to support demand. Further, the actual shortage remains well above the deficit identified at 29.5 million units and will continue to drive demand even beyond fiscal 2026. Hence, rural housing is expected to grow at a healthy 6.5-7.5% CAGR over the next five years, supported by a lower development base and continued concretisation of kutcha houses.

Construction of houses under the PMAY-G scheme over fiscals 2017-2024



Source: CRISIL MI&A Research, Ministry of Rural Development (MoRD), data as on March 15, 2024

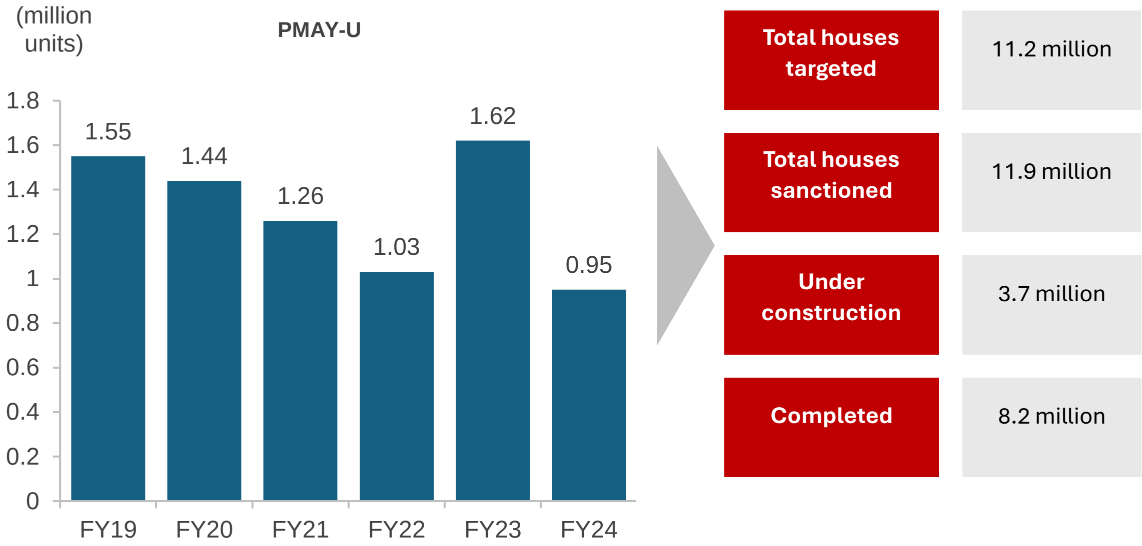
Urban housing demand

Pradhan Mantri Awas Yojana - Urban (PMAY-U) is an affordable housing scheme under implementation from 2015. It seeks to achieve the objective of Housing for All by 2022. The scheme comprises four components: (i) in situ rehabilitation of existing slum dwellers (using the existing land under slums to provide houses for slum dwellers) through private participation; (ii) credit-linked subsidy scheme for economically weaker sections and low- and middle-income groups; (iii) affordable housing partnership with states/ union territories/ cities, including the private sector and industries; and (iv) subsidy for beneficiary-led individual house construction.

The PMAY-U programme witnessed healthy construction in fiscals 2019 and 2020, but lost momentum in fiscal 2021 as urban construction was adversely impacted by the pandemic-induced lockdown. While ~1.55 million and ~1.44 million units were constructed in fiscals 2019 and 2020, respectively, ~1.26 million were constructed in fiscal 2021, despite the pandemic, as construction pace was healthy in the second half. In fiscal 2022, construction momentum slowed down further to ~1.03 million units due to weak execution in the second quarter. In fiscal 2023, construction pace recovered with fast-paced and steady execution of ~1.62 million units during the fiscal.

After a healthy run in the previous fiscal, construction pace moderated in fiscal 2024 with ~0.95mn units built, after witnessing fast-paced execution of ~1.62 million units in fiscal 2023. While most of the targeted houses have been sanctioned (~11.9 million houses sanctioned as of March 2024), ~8.2 million houses have already been completed (~69%) and another ~3.7 million are under various stages of construction. However, despite the increase in approvals, execution pace slowed down during fiscal 2024 due to delay in fund releases, political instability, etc. across regions. In fiscal 2025, pace of execution is expected to slow down further, as the ministry targets the scheme's closure by December 2024. However, with higher under-construction units as of December 2023, the scheme's execution is likely to be extended beyond December 2024.

PMAY-U construction



Note: Data as on March 15, 2024; sanctioned units include under-construction and completed units
Source: CRISIL MI&A Research, Ministry of Housing and Urban Affairs, Government of India

On the real estate front, with home buyers making use of reduction in stamp duty in metro cities, aided by bumper offers, residential sales numbers indicate a remarkable post-pandemic recovery. The work-from-home culture and social distancing norms have boosted affordable and mid-segment home buying. Real estate construction surged in fiscal 2022 and remained strong in fiscal 2023. After witnessing strong momentum over the past two fiscals, demand growth is estimated to moderate to 12-14% in fiscal 2024 and 10-12% in fiscal 2025 amid higher interest rates and an increase in capital values. However, the industry is structurally stronger than it was before the pandemic struck. In the longer run, falling inventory levels amid a gradual pick-up in demand will aid the segment's growth.

Overall, the urban housing segment clocked a low CAGR of 3-4% between fiscals 2019 and 2023, majorly limited by the real estate downfall during fiscals 2020 and 2021. Thus, demand from the urban housing segment is expected to grow a moderate 4-5% in fiscal 2025, and higher capital appreciation and interest rates are likely to limit urban housing growth from the real estate segment. Also, closure of the PMAY-U scheme by December 2024 will further restrict growth in fiscal 2025.

Automobile

Steel demand from the automobile industry accounts for 10-13% of total domestic demand. Both flat and long steel are used in various parts of automobiles. Demand from all automobile sub-segments, such as passenger vehicles, two-wheelers and commercial vehicles, are positive over the medium term and will continue to drive steel demand.

Passenger vehicles: Between fiscals 2018 and 2023, passenger vehicle volume logged a low CAGR of 3%, due to a decline in fiscals 2020 and 2021. Sales of small cars increased ~19% in fiscal 2023 as several users moved towards the lower end of the spectrum due to pandemic-impaired income sentiments as well as unavailability of Utility Vehicles (UVs) owing to chip shortage. However, with subdued entry-level income sentiments and a continued shift towards UVs, the small-car segment expected to log a negative CAGR of 3-5% between fiscals 2023 and 2028.

Stagnant sales are also expected in the marginalised large-car segment (with a low base), for which CAGR is expected to be rangebound at a negative 2-4%" between fiscals 2023 and 2028. For small and large cars, was a negative 4% and negative 12%, respectively, between fiscals 2018 and 2023. The UV segment is expected to exert pressure on the small- and large-car segments, limiting growth prospects. After 34% growth in fiscal 2023, UV and van sales are expected to register 12-14% CAGR over the forecast period (CAGR between fiscals 2018 and 2023 was 14%), driven by a continued shift in consumer preferences, multiple model launches, and availability of superior features at affordable prices. Entry of new players in the UV segment is also expected to aid traction. Moreover, replacement demand is likely to rise, as car owners opt for newer models due to higher affordability, competitive pricing of new models and easy availability of finance. Overall, the car and UV segment is expected to sustain a CAGR of 6-8% between fiscals 2023 and 2028.

Two-wheelers: Volume of two-wheelers is projected to improve 9-11% in fiscal 2025, after estimated growth of 11-13% in fiscal 2024, driven by recovery in scooter sales as urban income sentiments improve and EV penetration increases. The prediction of normal monsoon is expected to support demand for the motorcycle segment.
However, volume in fiscal 2024 is estimated to have been 10-15% lower than the peak of fiscal 2019, as a significant price hike in this segment over the past few fiscals across both ownership and acquisition dampened consumer sentiments. The acquisition price for an entry-level two-wheeler is estimated to have increased 40-45% since fiscal 2019 owing to safety norms, BS-VI implementation and higher input costs.
In the medium to long term, we expect manufacturers to focus on expansion of the distribution network in semi-urban and rural areas, and new model launches in the 125cc segment for scooters and in the premium segment for motorcycles. CRISIL MI&A Research projects domestic two-wheeler sales to record a CAGR of 8-10% between fiscals 2023 and 2028, after robust recovery in fiscal 2023. This includes assumption of two below-normal monsoons. The two-wheeler industry's volume declined at 4% CAGR between fiscals 2018 and 2023. CRISIL MI&A Research expects e-two-wheeler penetration to reach 20-25% by fiscal 2028.

Commercial vehicles: Commercial vehicle (CV) sales for fiscal 2024 are estimated at 1-3%, surpassing the pre-pandemic level of fiscal 2019. This trajectory is underpinned by increased government spending and replacement demand. Key end-user sectors, especially construction and mining, are expected to sustain their demand, contributing to this upward trend. In the first nine months of fiscal 2024, overall CV sales grew 2% compared with the corresponding period of the previous year. Demand from key end-user segments, combined with pent-up replacement demand, helped the industry grow. Growth moderated in the third quarter for CVs due to elections in five states and is estimated to have slowed down in the fourth quarter on the back of general elections.
The long-term projections for various sub-categories are as follows:

The medium and heavy commercial vehicle (MHCV) industry is projected to clock a CAGR of 2-6% between fiscals 2023 and 2028. Between fiscals 2018 and 2023, the industry logged a strong CAGR of 8%. The rise in tonnage addition is expected to be driven by an improved product mix, with a notable surge in demand for multi-axle vehicles

Demand for light commercial vehicles (LCVs) is expected to clock (2)-2% CAGR between fiscals 2023 and 2028, as the industry is highly cyclical and pent-up demand was actualised in fiscals 2022 and 2023. In addition, the sub-one tonne segment has been facing competition from the electric three-wheeler goods market. Between fiscals 2018 and 2023, the industry clocked a CAGR of 4%. Upper-end LCVs (ULCVs) offer the transporter lower returns, as compared with intermediate CVs (ICVs) and are most suited for captive use. Entry restrictions on ICV trucks and higher tonnage MHCVs are expected to keep demand buoyant from this segment. However, higher toll for ULCV trucks versus pickups will limit growth in the segment.

Domestic bus sales are expected to clock a CAGR of 9-13% between fiscals 2023 and 2028, supported by increasing demand for inter-city/state travel, aided by better road infrastructure and higher personal disposable incomes, coupled with government spending on transport undertakings and PM-eBus Sewa scheme. The unregulated segment, which mainly caters to demand from schools, companies and inter-city travel by private operators, will remain the largest end-user. However, a further expansion in bus sales would be impacted by the implementation of metro-rail and monorail in several cities.

Tractors: Domestic tractor sales are expected to rise 2-4% on-year in fiscal 2025 on the back of normal monsoon prediction and healthy replacement demand. Domestic demand is expected to clock a CAGR of 4-6% between fiscals 2024 and 2029.
Exports, accounting for ~10% of overall tractor sales as of fiscal 2024, are expected to grow 8-10% on-year to 100,000-110,000 units in fiscal 2025 on a low base of 90,000-100,000 after recording a decline of 23-25% on-year in fiscal 2024. Revival in demand from the US, Europe and Asia will further support growth, and medium-term CAGR of exports is expected to be 5-7%.

Engineering, fabrication and others

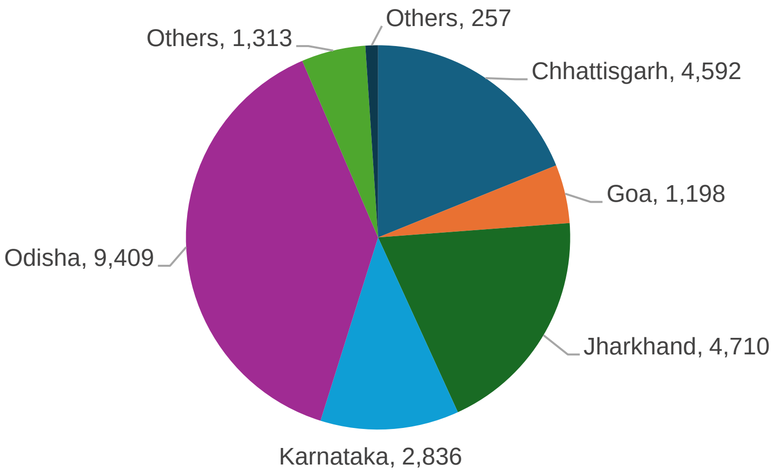
This segment comprises a wide range of end-use sectors such as general engineering, capital goods, consumer durables, electrical goods, industrial bodies, and fabrication. According to CRISIL MI&A Research estimates, the sectors account for 25-30% of total steel demand. Cumulatively, growth in steel demand from the sub-segment is estimated to have been 10% in fiscal 2023, increasing to 13% in fiscal 2024. For fiscal 2025, in line with the anticipated slowdown in the overall demand growth rate, demand from engineering, packaging and others will increase 6-8%. Between fiscals 2025 and 2028, CRISIL MI&A Research expects the segment to clock a CAGR of 6-8%.

INDIAN IRON ORE PRODUCTION

Grades and geology of iron reserves in India

Haematite and magnetite are the prominent iron ores found in India. Close to 79% of total haematite ore deposits are found in Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, and Uttar Pradesh. For magnetite, which accounts for ~30% of Indian iron ore reserves, ~93% occur in Andhra Pradesh, Goa, Karnataka, Kerala, and Tamil Nadu. Karnataka alone contributes 72% of magnetite deposits in India.

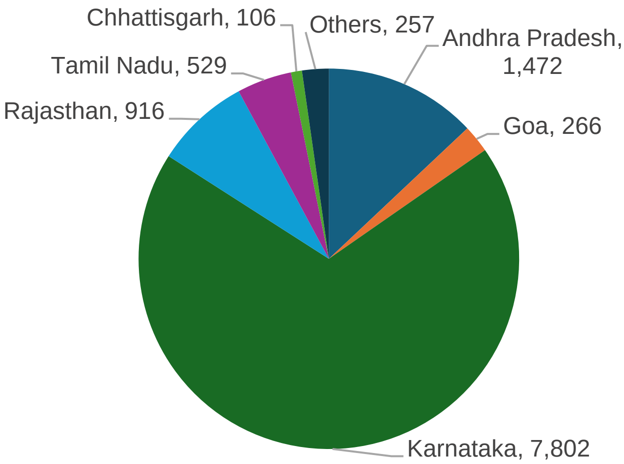
Haematite — state-wise distribution (FY22) in million tonne



Note: Fiscal 2022 figures
Source: Indian Bureau of Mines, CRISIL MI&A Research

The primary reserves/resources of haematite are concentrated in Odisha (9,409 million tonne or 39%), Jharkhand (4,710 million tonne or 20%), Chhattisgarh (4,592 million tonne or 19%), Karnataka (2,836 million tonne or 12%) and Goa (1,198million tonne or 5%). The remaining 5% of haematite resources are distributed across Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Maharashtra, Meghalaya, Rajasthan, Telangana, and Uttar Pradesh. Magnetite, another significant iron ore, occurs in the oxide form, either in igneous or metamorphosed banded-magnetite silica formations. According to the National Mineral Inventory (NMI) database using the United Nations Framework Classification (UNFC) system, total reserves/resources of magnetite as of April 1, 2020, stood at an estimated 11,227 million tonne, with 202 million tonne categorised as 'reserves' and 11,024 million tonne as 'remaining resources'. Classification based on grades indicates that 20% of magnetite resources are of the metallurgical grade, while 80% belong to grades categorised as ‘unclassified’, ‘not known’ and ‘coal washery’. Resources of others and foundry grades constitute minimal proportions.

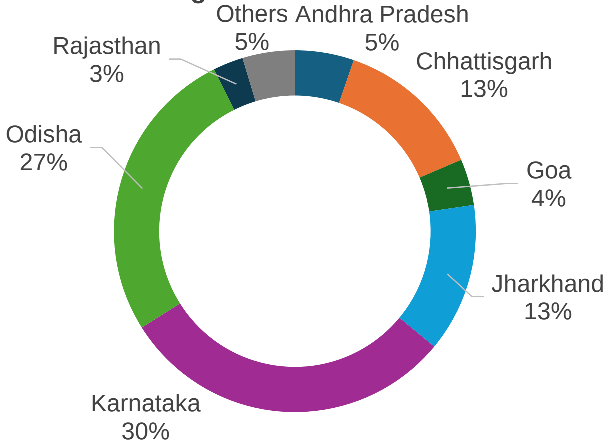
Magnetite — state-wise distribution (FY22)



Note: Fiscal 2022 figures (in million tonnes)
Source: Indian Bureau of Mines, CRISIL MI&A Research

In India, 96.70% of magnetite reserves/resources are concentrated in Karnataka (7,802 million tonne or 69.50%), Andhra Pradesh (1,472 million tonne or 13.10%), Rajasthan (916million tonne or 7.10%), Tamil Nadu (529 million tonne or 4.70%) and Goa (266 million tonne or 2.30%). Assam, Bihar, Chhattisgarh, Jharkhand, Kerala, Maharashtra, Meghalaya, Nagaland, Odisha and Telangana collectively account for the remaining 3.30% of resources.

Total state-wise reserves and remaining resources



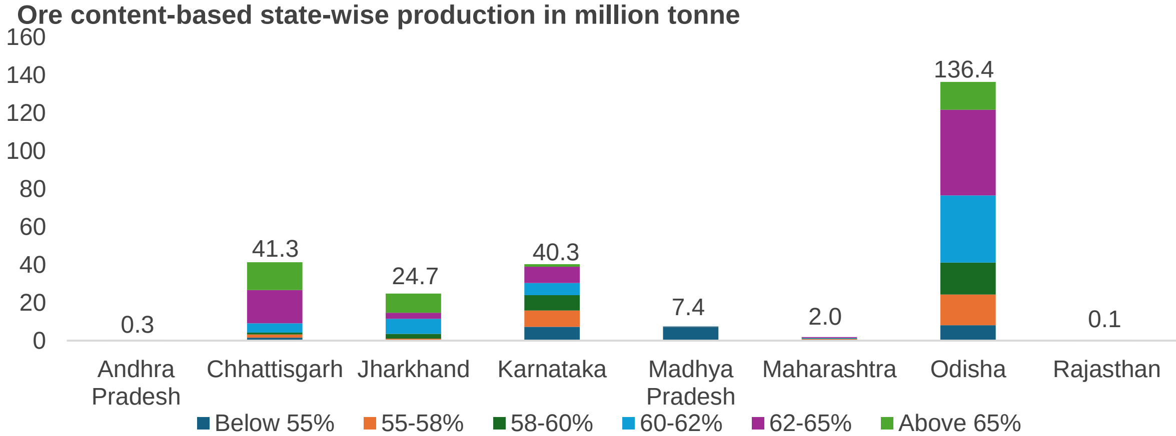
Note: Fiscal 2022 figures
Source: Indian Bureau of Mines, CRISIL MI&A Research

Banded iron formations (BIF), also known as banded haematite quartz (BHQ) in India, are sedimentary rock formations with alternating silica-rich layers and iron-rich layers that are typically composed of iron oxide. Magnetite and haematite differ broadly between two categories — crystal structure and occurrence. Having a trigonal crystal structure, haematite is found in many forms such as botryoidal or grape-like clusters, reniform or kidney shaped, and tabular crystals. Magnetite has an isometric crystal and forms generally octahedral or dodecahedral crystals. As mentioned earlier, haematite is found primarily in sedimentary, metamorphic and igneous rocks in proximity of water and occurs mostly in banded iron formations. Magnetite is found primarily in igneous and metamorphic rocks and occurs mostly in mineral deposits associated with hydrothermal activity.

Review of iron ore production

In fiscal 2023, production of iron ore, including lumps, fines and concentrates, increased a notable ~23.86% on-year to 257.85 million tonne. The number of reporting mines decreased to 245 from 280 in the preceding year, with 43 mines in the public sector and 202 in the private sector. Additionally, 10 mines reported iron ore production as an associated mineral in fiscal 2022, one more than the previous year. Odisha led iron ore production (accounting for ~53.82% of the country's production), followed by Chhattisgarh (~16.27%), Karnataka (~15.88%) and Jharkhand (~9.74%). The remaining production came from Andhra Pradesh, Madhya Pradesh, Maharashtra and Rajasthan. The mine-head closing stocks of iron ore for fiscal 2022 stood at 119.19 million tonne, compared with 121.17 million tonne in the previous year.

Ore content-based state-wise production in million tonne

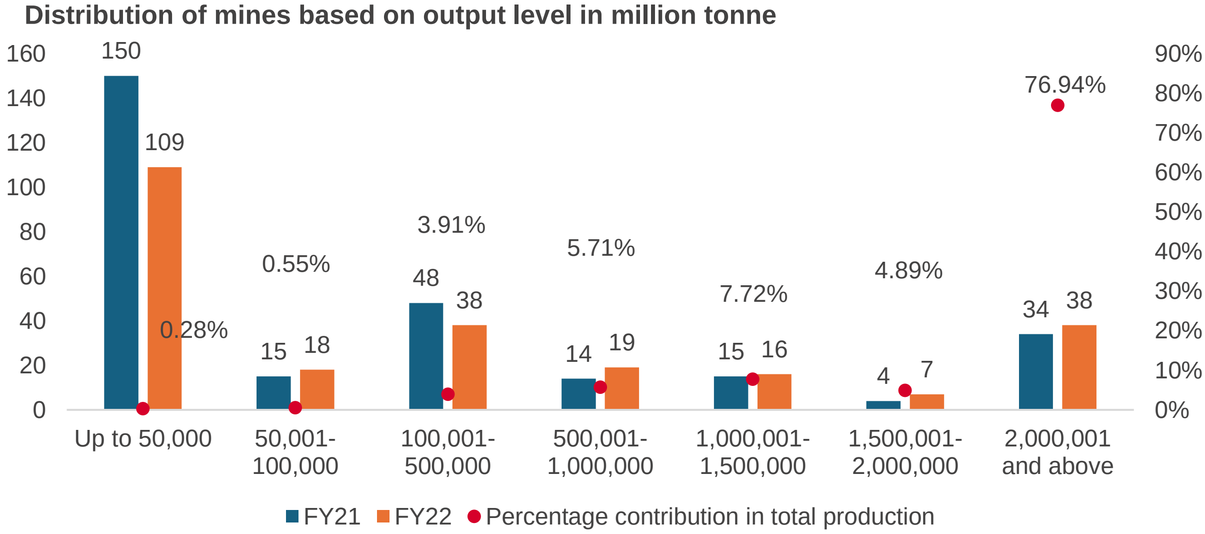


Note: Fiscal 2022 figures
Source: Indian Bureau of Mines, CRISIL MI&A Research

Iron ore mining operations employ open-cast methods, which can be manual, semi-mechanised or mechanised depending on the geological characteristics of the ore deposits. Large-scale mechanised mines are predominantly in the public sector, while manual and semi-mechanised operations are prevalent in the private sector, particularly for float ores. Some mechanised mines, especially in Jharkhand and Odisha, are also operated by the private sector.

Manual: These mines typically extract float ores using manual tools such as pickaxes, crowbars, chisels and spades. The ore is manually screened to separate larger pieces, which are then stacked separately, while waste material is backfilled into the pits. In certain reef workings, hand-held jackhammers are used to drill holes, which are then charged with explosives for blasting. The blasted ore is manually loaded onto trucks for transport to railway sidings or directly to buyers.

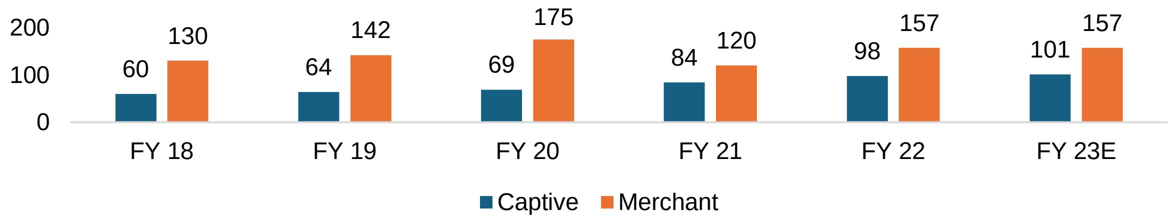
Mechanised: The mines, often owned by steel plants, employ systematic bench formation for both overburden and ore extraction. Bench heights typically range between 10 and 12 metre, drilled by crawler drills and explosives such as ammonium nitrate/fuel oil (AN/FO) and emulsion ones used for blasting. Loading is carried out by earth-moving machinery such as hydraulic excavators and ripper dozers, with benches maintained at a safe height and width for efficient operations. For ore in powdery form, hydraulic shovels may be used, with heavy-duty ripper dozers preferred due to the softer nature of the ores. Ore transportation is facilitated by dumpers for short distances and barges for longer distances; ores are loaded onto ships through berths or trans-shippers.



Note: Fiscal 2022 figures
Source: Indian Bureau of Mines, CRISIL MI&A Research

Most public sector mines, including those operated by Steel Authority of India (SAIL), National Mineral Development Corporation (NMDC) and Odisha Mining Corporation, are fully mechanised, which is also prevalent in many captive mines in the private sector. Approximately 90% of iron ore in India is produced from mechanised mines, with NMDC operating several such large mines in Chhattisgarh and Karnataka. Iron ore processing involves various stages, including crushing, screening, washing and, at times, beneficiation and agglomeration. Crushing and screening are primarily for sizing and removing gangue minerals, with dry and wet grinding employed in some cases. The resulting lumps and fines are marketed, with fines often converted into sinters for use in steel plants and pellets made from concentrates/fines exported or used domestically in the iron and steel industries.

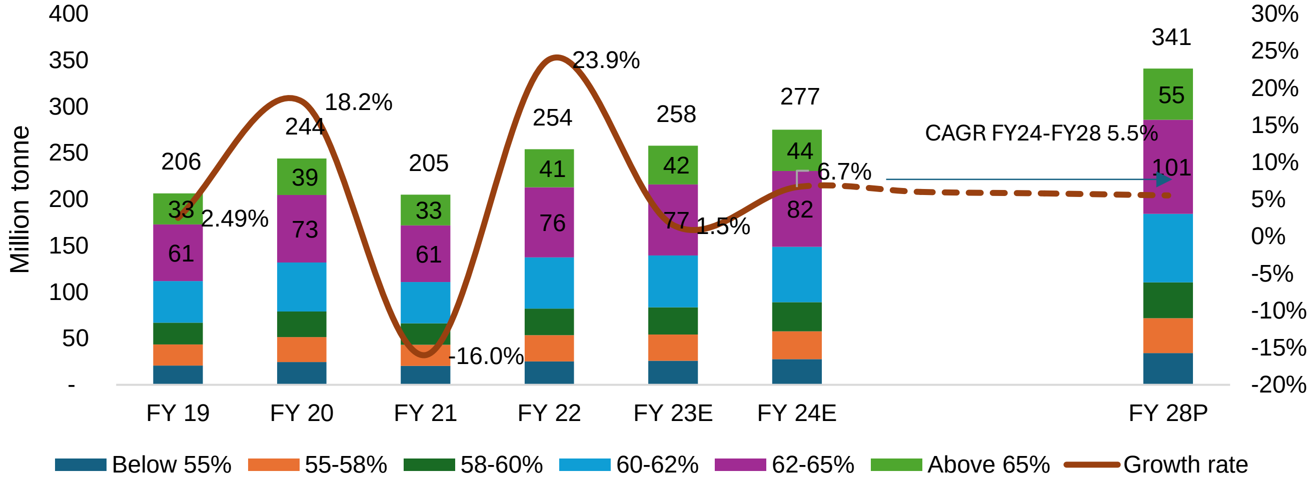
Iron ore production- Captive and Merchant miners



Note: Fiscal 2022 figures
Source: Indian Bureau of Mines, CRISIL MI&A Research

OUTLOOK FOR IRON ORE PRODUCTION

Indian iron ore production

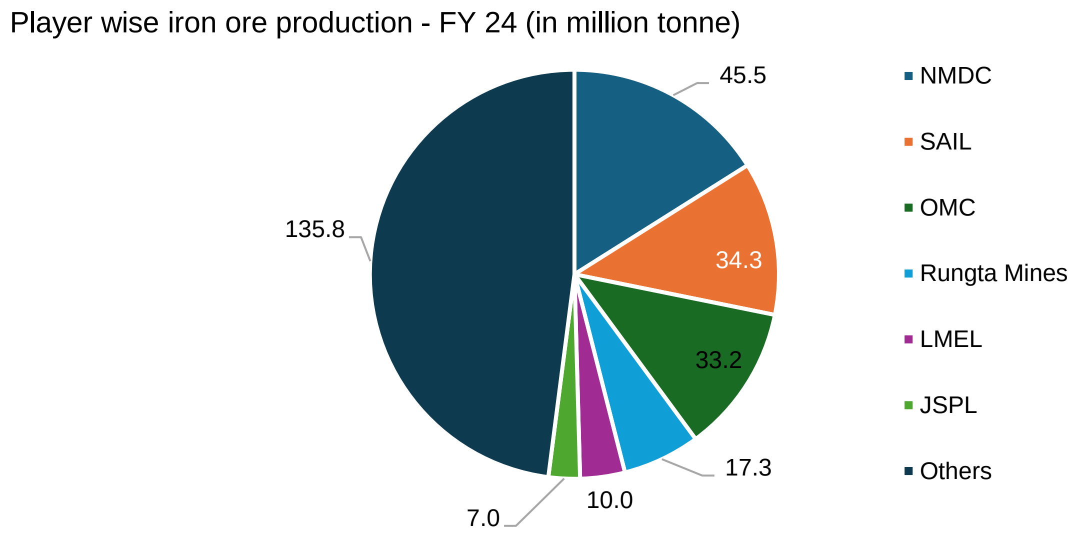


Source: Indian Bureau of Mines, CRISIL MI&A Research

The government of India, under the ministry of steel, introduced the National Steel Policy 2017, aiming to steer the industry with suitable policy support to promote domestic steel production. This policy, along with the Domestically Manufactured Iron and Steel Products (DMI&SP), is expected to create an environment conducive to domestic steel promotion, thereby positioning the Indian steel sector to achieve global benchmarks in terms of quality, standards and technology. By 2030-31, it is projected that India will require a crude steel capacity of 300 million tonne, necessitating ~437 million tonne of iron ore. However, achieving this capacity entails significant mobilisation of natural resources, finances, manpower and infrastructure, including land. Addressing concerns regarding the availability of raw material, particularly iron ore, will require intensified and deeper exploration to augment the resource base. Environment-friendly underground mining techniques for optimal utilisation of magnetite ore deposits in the western ghats would also need exploration, potentially in collaboration with mining research institutes.

The Mines and Minerals (Development and Regulation) Amendment Act, 2015, introduced by the government, stresses on time-bound mine development, increased mineral exploration and sustainable mining operations to support ore output growth. The Act clarifies the mine-allocation process through auctions and procedures for the renewal of mining lease. Additionally, it allows for the reservation of specific mines for particular end uses and auctioning among eligible users.

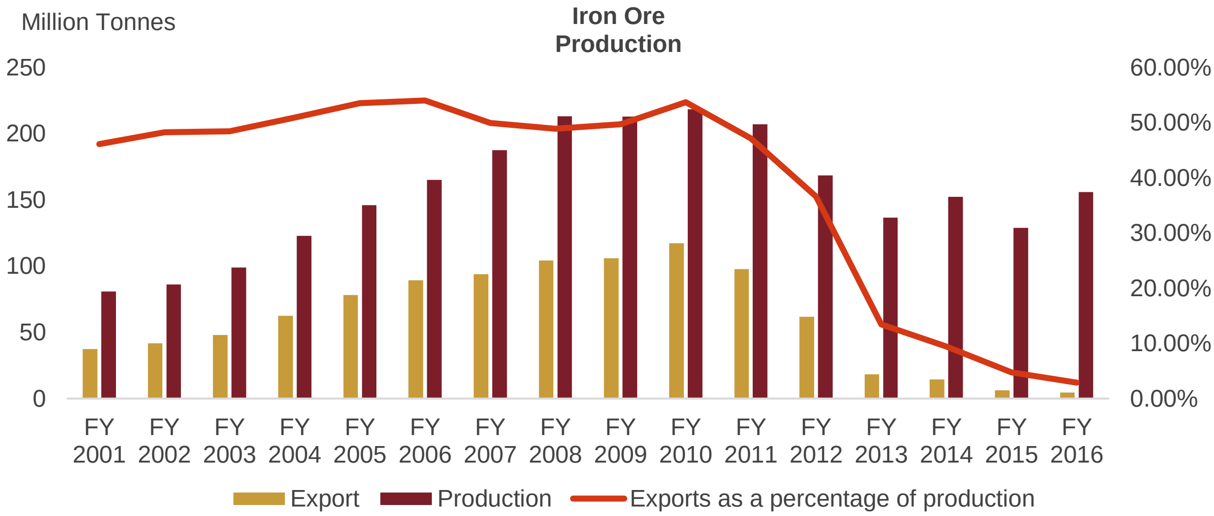
Under the Act and its accompanying Mineral (Auction) Rules 2015, a total of 115 mine leases for iron ore, which include blocks with iron ore and other assorted minerals, were auctioned until December 28, 2023. These auctions took place in Andhra Pradesh, Chhattisgarh, Goa, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Uttar Pradesh.



Source: Ministry of Mines, Indian Bureau of Mines, CRISIL MI&A Research

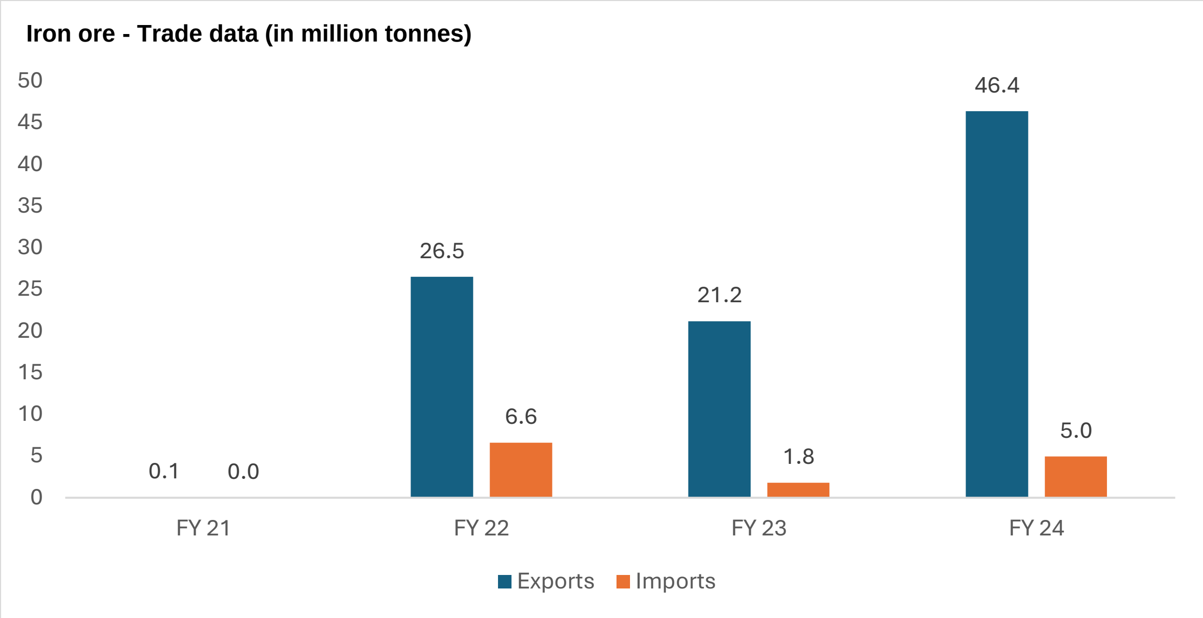
In fiscal 2024 276.7 million tonnes or iron ore was mined as per the initial estimates of the ministry of mines. Public sector entities, NMDC, OMC and SAIL remained the major miners. SAIL, Tata Steel Ltd, JSW Steel and AMNS India are the major producers for captive consumption. NMDC and OMC are the largest merchant miners.

Iron ore mining sector before 2015



Source: Indian Bureau of Mines and Ministry of commerce and Industries

To boost exports, iron ore was deregulated in mid-1996, enabling private miners and exporters to access the export market. The surge in iron ore exports and production began gradually from around 2000, coinciding with the increasing demand from China. This upward trend reached its peak in fiscal 2010, with exports reaching 117.37 million tonne and production hitting 218.55 million tonne. However, exports and production started to decline thereafter, especially from fiscal 2012. This decline was notably influenced by the government's decision to raise export duties. From March 2011, the export duty was increased from 5% on fines to 20% for both lumps and fines. Subsequently, it was further raised to 30% from December 2011. Despite the extraction of 2,041 million tonne of iron ore between 2000 and 2013, the reported iron ore resources increased by 9,215 million tonne during the same period with a continued momentum towards iron ore exploration. This resulted in a total resource estimate of 31,323 million tonne as of April 2013, compared to 22,108 million tonne on April, 2000.The remarkable growth in iron ore resources was facilitated by robust export demand, particularly from China. Increased demand intensified exploration efforts, leading to the discovery of additional resources. Iron trade has picked up in the recent years. In the last four fiscal years, apart from the pandemic induced lockdowns and trade standstill in FY 21, the volumes of exports have been on the rise reaching 46.4 million tonnes in FY24.



Source: Directorate General of Foreign trade, Crisil MI&A Research

Mining and export bans in Karnataka and Goa

Mining activities in Goa came to a halt in September 2012 following a ban, resulting in the suspension of shipments that had previously reached about 50 million tonne during fiscal 2011. The Supreme Court's observations about the disregard for the rule of law and the undervaluation of the country's natural resources underscored the gravity of the situation. The Supreme Court's intervention and subsequent rulings highlighted the severity of these issues and the need for accountability.

Similarly, in neighbouring Karnataka, the ban commenced in 2011. After the Supreme Court-appointed Central Empowered Committee (CEC) report brought attention to rampant violations in mining, the SC passed an order in 2011 to stop mining operations in Ballari. Additionally, the SC banned export of iron ore pellets from Karnataka with an aim to prevent environmental degradation. The ban, implemented as a part of the government's efforts to crack down on illegal mining, had resulted in a drastic reduction in iron ore exports by about 85%, equivalent to around 100 million tonne, for a two years. Additionally, these bans had led to a significant decline in foreign exchange earnings, amounting to more than $17 billion during the same period, as reported by the Federation of Indian Mineral Industries.

The ban of mining in 2011 in Karnataka was lifted in 2012 with the introduction of production caps. The Supreme Court, in 2022, raised the ceiling limit of iron ore mining for the Ballari mine (from 28 million tonne to 35 million tonnes, Chitradurga and Tumakuru districts (from 7 million tonne to 15 million tonne collectively) and in May 2023, allowed the direct sale and export of already excavated iron ore. Mining in Goa restarted again in 2014, before being banned again in 2018 after the Supreme Court scrapped all existing mining leases citing irregularities in renewal processes. The mining is set to resume again in the first quarter of fiscal 2025 with private players getting permission to extract 3 MTPA from the Bicholim block.

Government regulations

Since 2015, the Government of India, under the Ministry of Mines, has introduced several significant policy changes to unlock the potential of the mineral sector. These measures aim to boost mineral production, create jobs, and enhance transparency. The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) was amended in 2015 to introduce transparent auction processes for granting mineral concessions, ensuring fairness, and eliminating discretion. This amendment also established District Mineral Foundations to support communities affected by mining and created the National Mineral Exploration Trust to promote exploration activities.

To ensure sustainable mineral production, especially as many mining leases were set to expire in March 2020, the Central Government further amended the MMDR Act through the Minerals Laws (Amendment) Act, 2020. These reforms facilitated the smooth transfer of clearances to new lessees selected through auctions and allowed state

governments to initiate auction processes for mineral blocks before lease expiry, ensuring uninterrupted production.
Additionally, the MMDR Act underwent further amendments in 2021 with the aim of increasing mineral production, expediting mine operations, boosting employment and investment in the mining sector, ensuring continuity in operations after lease transfers, and accelerating exploration and auction processes for mineral resources.

MMDR Amendment Act, 2015

The Act was aimed at curbing illegal mining and making the allocation process more transparent. Major changes made to the Act were as follows:

- Mine auction was made the only mode for mine allocation, and the auction was made completely online. This increased transparency significantly
- Mine blocks were given for a 50-year lease to the successful bidder
- Captive players were allowed to bid for mines previously held by non-captive players. However, captive players could not sell non-required iron ore production to external buyers
- Captive players had the first right of refusal after the lease expired and could get a 15-year extension
- To curb illegal mining, a penalty of up to Rs 0.5 million per hectare and five years of imprisonment was introduced in the Act
- A composite prospecting lease (PL)-cum-mining lease (ML) licence was introduced for virgin blocks

These reforms were beneficial for state governments since the states earned extra revenue through the auction process through bid premium, compared with only royalty earlier.

Mineral Laws (Amendment) Act, 2020

The MMDR Amendment Act, 2015, garnered a positive response from the steel industry. To make the auction process easier, further changes were introduced in 2020. Major changes include the following:

- The government abolished restrictions related to end use for captive and non-captive leases
- A new composite licence reconnaissance permit (RP)-cum-PL-cum-ML was introduced for virgin blocks
- The Central government directed state governments to auction mines with pre-embedded clearances to shorten the lead time before the start of mining operations. Here, state governments were made responsible for obtaining necessary clearances

Following these changes, more captive players started taking part in the auctions, as restrictions related to the end use of production were removed.

MMDR Amendment Act, 2021
Post the amendments introduced in 2020, the government introduced new amendments in 2021 to improve the availability of high-grade iron ore for the Indian market:

- Captive mines were allowed to sell up to 50% of the production to external buyers
- Statutory clearances remained valid even after the expiry of the lease. This promoted ease of doing business
- The lessee who could not undertake mining operations could transfer the lease to the interested party without any additional charges, thus ensuring continuation of mine production

These changes promoted ease of doing business and boosted mine production.

Thereafter, considering that at present the availability of the critical minerals or technologies for their extraction and processing are concentrated in a few geographical locations which may lead to supply chain vulnerabilities and even disruption of supplies, the Central government has amended the MMDR Act, through the MMDR Amendment Act, 2023.

Through the said amendment, the Central government has been empowered to exclusively auction mining lease and composite license for 24 critical minerals listed in the new Part-D of the First Schedule to the said Act which includes minerals such as Cobalt, Graphite, Lithium, Nickel, Tantalum and Titanium. The objective of the said amendment is to increase exploration and mining of critical minerals and ensure self-sufficiency in supply of critical minerals, which are essential for the advancement of many sectors, including high-tech electronics, telecommunications, transport, and defence. They are also vital to power the transition to a low-emission economy, and the renewable technologies that will be required to meet the 'Net Zero' commitment of India by 2070.

The auction of critical and strategic minerals brings several key benefits, including bolstering domestic production, reducing import dependency, promoting sustainable resource management, attracting investments in the mining sector and the development of key industries crucial for India's industrial and technological advancement. This is a step towards creating a reliable supply chain of these minerals and a step towards making an 'Atma Nirbhar Bharat' and contributing towards increased economic growth. The Central Government has launched the first tranche of e-auction of 20 mineral blocks of critical and strategic minerals in November 2023 which include blocks of Lithium, Rare Earth Elements, Platinum Group of Minerals, Nickel and Potash. The auction of these blocks aims to expedite the General Exploration (G2 level), achieve the operationalization of mines, and create a steady supply of these minerals, thus reducing our reliance on imports and ensuring a more secure and resilient supply chain.

Besides auction of critical minerals by the Central Government, to further boost exploration of critical and deep-seated minerals, a new mineral concession namely, exploration license has been introduced for 29 critical and deep-seated minerals. Critical and deep-seated minerals such as Cobalt, Lithium, Nickel, Gold, Silver, Copper are difficult to explore and mine as compared with surface or bulk minerals. The country is mostly dependent on imports of these minerals. The exploration license granted through auction shall permit the licensee to undertake reconnaissance and prospecting operations for critical and deep-seated minerals mentioned in the newly inserted Seventh Schedule to the Act.

Exploration license is foreseen to create an enabling mechanism, wherein the Junior Mining Companies will bring in expertise from across the world in acquisition, processing and interpretation value chain of exploration and leverage the risk-taking ability in discovery of deep-seated mineral deposits through adoption of expertise and latest technologies.

Reduction and removal of export duties on iron ore

India has been a key iron ore exporter in global markets, having exported over 26 million metric tonne of iron ore in fiscal 2022, constituting 10% of the total domestic production.

The government had imposed export duties in May 2022 on iron ore to ensure its better availability in the domestic market, thus bringing prices lower. While earlier the government had imposed an export duty on high-grade iron ore (58% Fe and higher) to curb exports, the export of low-grade ores, as well as iron ore pellets, continued. However, once both steel and iron ore prices corrected, the Indian government rolled back the export duty for pellets and low-grade ore (fines and lumps 58% Fe) and lowered the duty on high-grade ore (fines and lumps >58% Fe) to 30% from 50% earlier. The move helped scale up exports over the last four months of fiscal 2023. In fact, India exported close to 14 million metric tonne of iron ore from November 2022 to March 2023, after having exported only 7.3 million metric tonne over the first eight months of the fiscal.

Exports are expected to rise, which will aid pickup in domestic production as well.

Material	**HS code**	**Customs duty**		
		Before May order	**After May 2022 order**	**Post November 2022 order**
Iron ore fines (> 58% Fe)	2601	0%	50%	30%
Iron ore fines (< 58% Fe)	2601	0%	50%	0%
Iron ore lumps (> 58% Fe)	2601	30%	50%	30%
Iron ore lumps (< 58% Fe)	2601	0%	50%	0%
Iron ore pellets	2601	0%	45%	0%

Auction of iron ore mines post-2015

The auctioning of iron ore mines under the Mines and Minerals (Development and Regulation) Act, 2015 (MMDR Act) has been a significant development in India's mining sector. This legislation aimed to bring transparency, efficiency, and sustainability to the allocation of mineral resources, including iron ore, by introducing a competitive bidding process for the grant of mining leases. Under the MMDR Act, iron ore mines are auctioned to private entities and state-owned enterprises through a transparent and competitive bidding process. This process ensures that mining leases are allocated to the most qualified and financially capable entities, promoting fair competition and maximizing revenue for the government.

A total of 116 leases, combination of both mining lease (ML) and prospecting license-cum-mining lease (PL-cum-ML) or composite license has been done between fiscal 2015 and fiscal 2023.

Total number of mine auctions post Mines and Minerals (Development and Regulation) Amendment Bill, 2015

FY	**Andhra Pradesh**	**Chhattisgarh**	**Jharkhand**	**Karnataka**	**Madhya Pradesh**	**Maharashtra**	**Odisha**	**Rajasthan**	**Uttar Pradesh**	**Goa**	**Total number of mines**
2016				7			1				**8**
2017							2				**2**
2018			1	7	1						**9**
2019				4		1					**5**
2020							17				**17**
2021	1						9				**10**
2022	1	7		6	3	6		2		4	**29**
2023	3	3	2	5	4	5	3	4	2	5	**36**
Total	**5**	**10**	**3**	**29**	**8**	**12**	**32**	**6**	**2**	**9**	

Source: Ministry of Mines

The auction premium paid under the Mines and Minerals (Development and Regulation) Act (MMDR Act) mine auction system is a key component of the auction process. When mineral blocks, including iron ore mines, are put up for auction by the government, bidders are required to pay an amount known as the auction premium, in addition to the royalty for the mined mineral along with other statutory payments.

The auction premium serves multiple purposes within the framework of mineral resource management. First, it acts as a revenue source for the government, generating substantial funds that can be utilised for various developmental initiatives, infrastructure projects, and social welfare programs. This revenue contributes to the public exchequer, enhancing the financial capacity of the government to address societal needs and promote economic growth. Secondly, the auction premium reflects the market value of the mineral block being auctioned and the willingness of bidders to invest in its development.

Average premium for auctioned leases in the year

FY	**Average auction premium (% of IBM notified prices)**
2016	86.14
2017	93.62
2018	98.98
2019	85.92
2020	115.15
2021	116.58
2022	105.29
2023	130.86

Source: Ministry of Mines

Indicative payment of royalty, DMF, NMET, Auction Premium by iron ore miners

	Average for mines auctioned in the last 5 years		For NMDC's iron ore mines (in Chhattisgarh)		For mines allocated before MMDR Amendment Act 2015	
A	IBM notified price for 62%-65% Fe fines (March 2024)	5,180	IBM notified price for 62%-65% Fe fines (March 2024)	5,180	IBM notified price for 62%-65% Fe fines (March 2024)	5,180
B	Royalty @15%	777	Royalty @15%	777	Royalty @15%	777
C	DMF @10% of royalty	78	DMF @30% of royalty	233	DMF @30% of royalty	233
D	NMET Fund @2% of royalty	16	NMET Fund @2% of royalty	16	NMET Fund @2% of royalty	16
E	Auction Premium (avg. premium of last 5 years considered) @ 110.8%	5,737	Additional royalty @ 22.5%	1,166	Premium @ 0%	-
F	**Total (B+C+D+E)**	**6,610**	**Total (B+C+D+E)**	**2,191**	**Total (B+C+D+E)**	**1,026**

Source: IBM, Ministry of Mines, CRISIL MI&A Research
Note:

1. *All values are in Rs/tonne.*
2. *The average auction premium is considered for the table above; however, miners must pay the auction premium based on the specific bid rate they offered for each individual mine.*

Expiry of existing iron ore mining leases (2024 to 2030)

As number of iron ore mining leases in India approach their expiry dates leading up to 2030, the industry faces a critical juncture marked by both challenges and opportunities. The expiration of these leases raises concerns about the continuity of iron ore supply, given that India is one of the world's leading producer and consumer of iron ore. One of the primary challenges associated with the expiry of mining leases is the potential disruption to iron ore production. If existing leases are not extended or auctioned in a timely manner, it could lead to a shortfall in iron ore supply, impacting various downstream industries including steel manufacturing and downstream end-use industries. However, the expiry of mining leases also presents an opportunity for miners and end users to acquire new assets available in the auction post the lease expiry and gain market share.

Year wise expiry of iron ore mining leases in India

Year	Number of Mines	Estimated total production capacity (MTPA)
2024	1	3
2025	6	25
2026	6	5
2027	3	2
2029	2	17
2030	8	59

Source: Ministry of Mines and CRISIL MI&A Research

Although around 110 million tonne per annum of mining leases are estimated to expire between 2024 and 2030, the total iron ore production from these mines is estimated at 50-60 million tonne for the fiscal 2024. Few of the mines are owned by Steel Authority of India Ltd (SAIL), which is expected to get a preferential treatment, under MMDR amendment act 2021, for renewal of mining leases.

IRON ORE BENEFICIATION AND PELLETISATION

Beneficiation of iron ore refers to the process of removing impurities and improving the quality of the ore through various techniques. Iron ore beneficiation is essential for maximizing the value of the ore by increasing its iron content and reducing the presence of impurities such as silica, alumina, phosphorus, and sulphur. The beneficiation process begins with the crushing and grinding of the iron ore to liberate the iron-bearing particles from the gangue minerals. This is typically achieved through crushing equipment such as jaw crushers, cone crushers, and grinding mills. The resulting crushed and ground ore is then subjected to various beneficiation techniques to separate the valuable iron-bearing minerals from the gangue minerals.

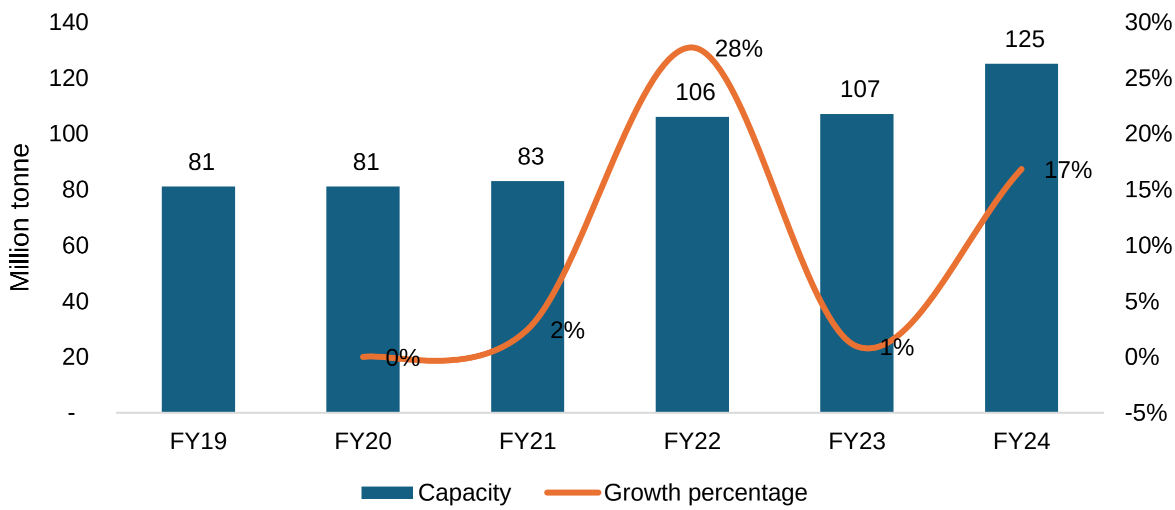
One common beneficiation technique is magnetic separation, which utilises magnetic properties to separate the iron-bearing minerals from the gangue minerals. This is achieved by passing the crushed and ground ore through magnetic separators, which attract and concentrate the iron-bearing particles while leaving the gangue minerals behind. Another beneficiation technique is gravity separation, which exploits the differences in density between the iron-bearing minerals and the gangue minerals. This is typically achieved through techniques such as jigging, spirals, or shaking tables, which separate the denser iron-bearing particles from the less dense gangue minerals. Flotation is another widely used beneficiation technique, particularly for iron ores that contain significant amounts of silica or other impurities. In flotation, the crushed and ground ore is mixed with water and flotation reagents, and air is bubbled through the mixture. The reagents selectively attach to the iron bearing minerals, allowing them to be floated to the surface and removed as a froth, while the gangue minerals sink to the bottom.

Hydrocycloning is a beneficiation technique used to remove fines and slimes from the iron ore, thereby improving the ore's quality and reducing the amount of waste material. In this process, the crushed and ground ore is fed into a hydrocyclone, where centrifugal forces separate the finer particles from the coarser particles. Magnetic separation, gravity separation, flotation, and hydrocycloning are often used in combination to achieve the desired beneficiation outcome, depending on the characteristics of the ore and the specific impurities present. After beneficiation, the iron ore concentrate is typically further processed through pelletizing or sintering to produce iron ore pellets or sinter, respectively. These agglomerated products are then used in blast furnaces or direct reduction processes to produce iron and steel. Beneficiation of iron ore is essential for maximizing the value of the ore reserves and ensuring the efficient utilization of natural resources. It not only improves the quality of the ore but also reduces the environmental impact of mining operations by reducing the amount of waste material that needs to be disposed of.

Indian iron ore palletisation capacities

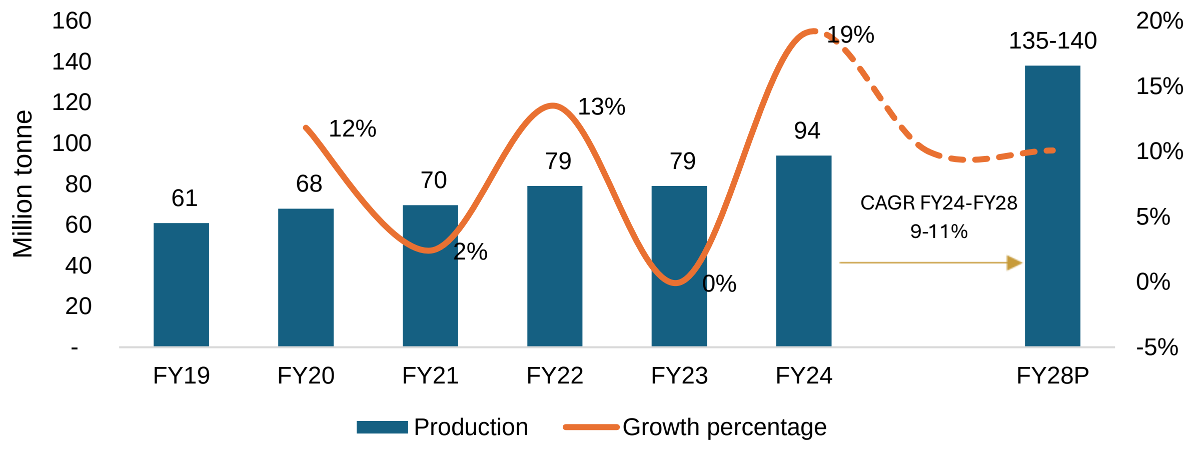
As per CRISIL MI&A Research estimates, India has a working capacity of 125 million tonnes per annum. Indian iron ore pelletisation capacities are increasing in sync with the increase in production. The capacities are concentrated in the iron ore production regions, with Odisha and Karnataka accounting for more than 50% of the capacities. Iron ore pellets offer several advantages over iron ore lumps. Firstly, pellets have a more uniform chemical composition and physical characteristics, resulting in consistent quality and performance in steelmaking processes. This uniformity leads to improved productivity and efficiency in steel production. Secondly, pellets have a higher iron content and lower impurities compared to lumps, resulting in higher iron yield and reduced emissions during the steelmaking process. Furthermore, pellets provide better control over the iron input in the blast furnace, allowing steelmakers to optimize their processes for improved energy efficiency and reduced environmental impact. This is leading to further investments in pelletisation capacities by major steel mills.

Indian iron ore pellet capacity



Source: JPC, and CRISIL MI&A Research estimates

Indian iron ore pellet production,



Source: JPC, and CRISIL MI&A Research estimates

Indian iron ore pellet production grew at a healthy pace of ~9% CAGR between fiscals 2019 and 2024. Decreasing ore grades, necessitating beneficiation, and increasing DRI production are supporting the growth of iron ore pelletisation industry. CRISIL MI&A estimates 135-140 million tonne of pellet production by fiscal 2028. Major steel mills are adding captive pelletisation capacities to increase the utilisation of fines which are available at a discount vis-a-vis iron ore lumps in Indian market.

INDIAN STEEL CAPACITY

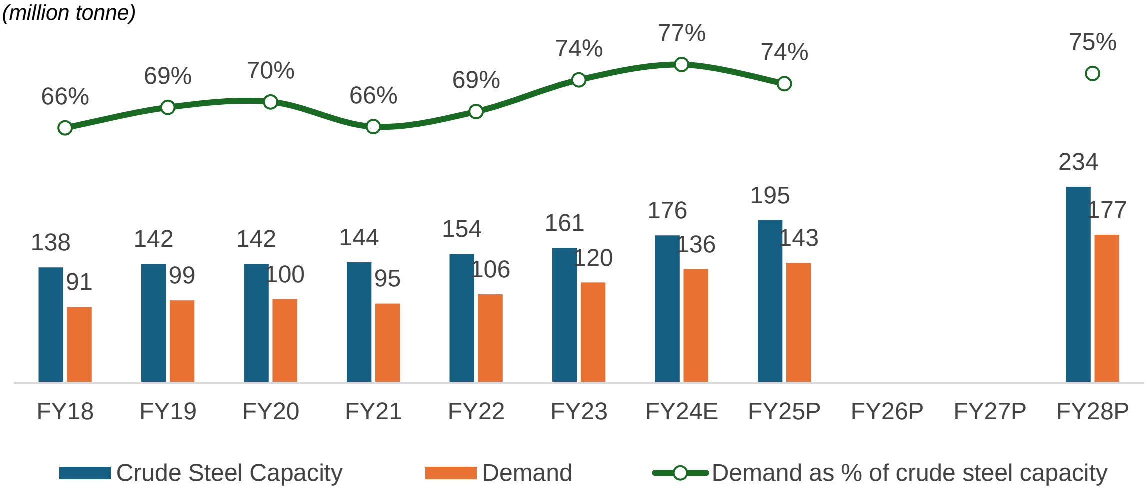
As India's demand for steel is increasing, its steelmaking capacity is also expanding. Major integrated players have undertaken both brownfield and greenfield projects to expand capacities. This is also in line with the target of achieving 300 MT of operational crude steel capacities by fiscal 2031 under the National Steel Policy (NSP) 2017.

Capacity growth vs. demand growth

Crude steel capacity over fiscals 2019-2023 logged 3.2% CAGR to reach 161 MT. By end-fiscal 2024, the capacity is estimated to have reached ~176 MT. This is expected to increase to 234 MT by fiscal 2028, clocking 7.8% CAGR. Still, capacity additions will lag demand. Demand growth, which was higher than capacity growth over fiscals 2019-2023 (5.7% CAGR), is expected to continue to outpace capacity additions until fiscal 2028, logging an 8.1% CAGR.

Capacity vs. demand

(million tonne)



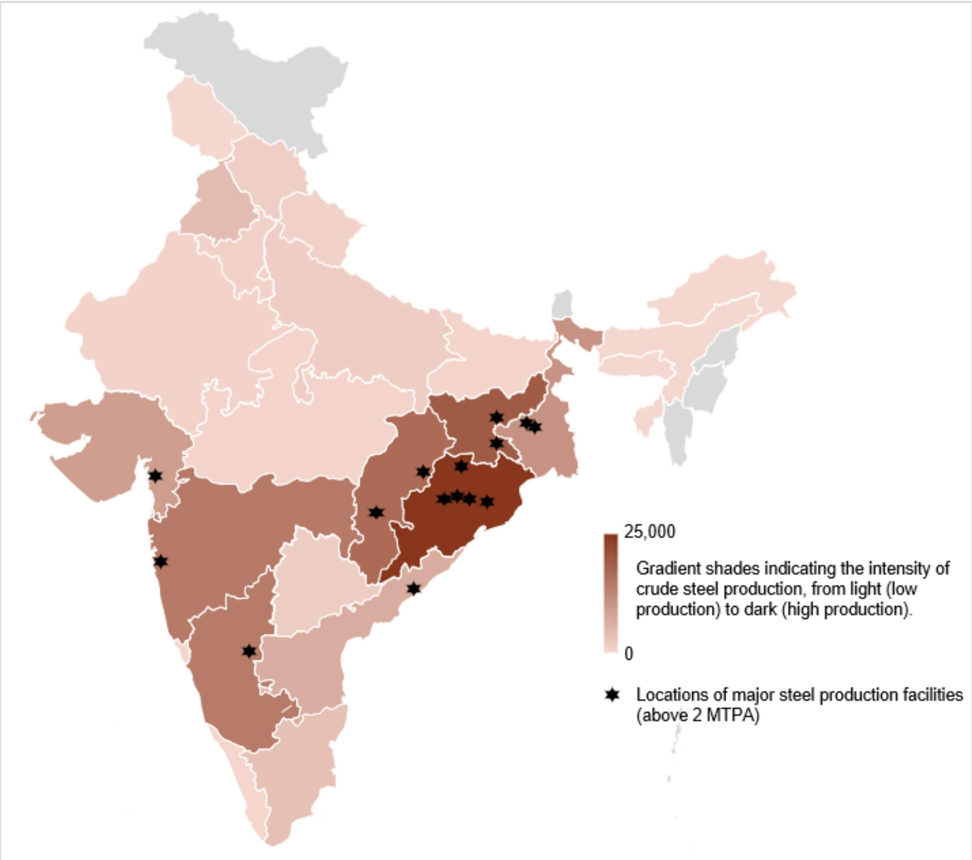
**Provisional figures*
Source: JPC, CRISIL estimates

The domestic steel industry grew rapidly in 2000s. However, there was a significant decline in global steel demand after the Global Financial Crisis of 2008, which eventually led to global overcapacity and resulted in a significant price fall and generation of some non-performing assets (NPAs) in the industry. The domestic steel sector's struggle with NPAs became particularly pronounced around fiscals 2013-2016 when global steel prices plummeted and domestic overcapacity exacerbated financial stress. During this period, major steel companies such as Essar Steel and Bhushan Steel accounted for a significant portion of the sector's NPAs, reflecting the challenges of high operational costs and reduced market prices. It was at that time the government passed the Insolvency and Bankruptcy Code (IBC) to address and restructure the mounting bad debts of the banking sector. The law was aimed at streamlining debt resolutions and revitalise businesses by improving operational efficiencies and financial health. With the restructuring of the major steel NPAs and implementation of protective tariffs to shield domestic steel producers, the sector has seen gradual improvements in financial stability, paving the way for recovery and sustainable growth.

After their experience with high NPAs, steel makers have become more cautious about capacity expansions. Consequently, there was a notable slowdown in the pace of capacity additions between fiscals 2018 and 2021 — from 138 million tonne to 144 million tonne. The cautious approach prompted a more measured strategy towards growth to ensure financial sustainability and operational efficiency.

During this period, major players grew inorganically, strategically acquiring stressed assets, leading to a more concentrated industry landscape. The consolidation was facilitated by the IBC, which helped streamline the process of restructuring bad debts and enabled healthier steel companies to acquire underperforming ones. Notable acquisitions include Tata Steel's acquisition of Bhushan Steel Ltd and JSW Steel's acquisitions of Monnet Ispat and Bhushan Power and Steel Ltd (BPSL). Additionally, the acquisition of Essar Steel by ArcelorMittal Nippon Steel JV marked a significant reshaping of the industry, with major global players entering the Indian market. These moves not only helped stabilise the industry by reducing excess capacity but also allowed dominant companies to leverage economies of scale and improve competitive positioning both domestically and globally.

Major steel producing states and production facilities in India



Source: JPC, CRISIL MI&A Research

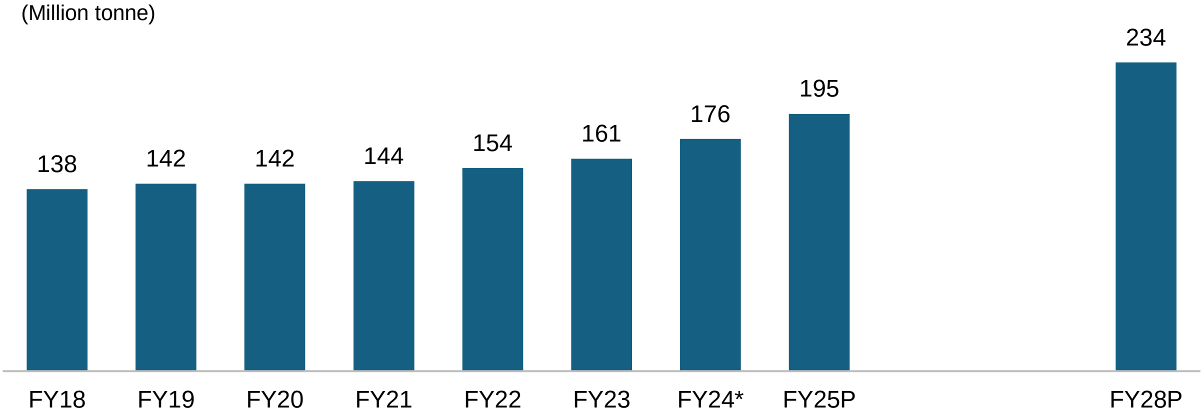
Note:

1. *Indicative locations are marked only for major steel production facilities in India.*
2. *Map not to scale.*

Capacity expansion by integrated steel players

Indian steelmakers have a robust pipeline of capacity expansion across the steel value chain. They have started sourcing the key ingredient for production, iron ore, domestically which is cheaper than imports. This has worked in favour steelmakers, who enjoy a price advantage. To realise this advantage, many steel mills have planned expansions through the BF-BOF route. Although, this will sustain India's dependence on coking coal imports, procuring or sourcing steel scrap would be a bigger challenge, which is more conducive for EAF-based steelmaking.

Current crude steel capacity and expansion estimates



**Provisional figures*
Source: JPC, Crisil Research

STEEL INTERMEDIATE PRODUCTION IN INDIA

Pig iron

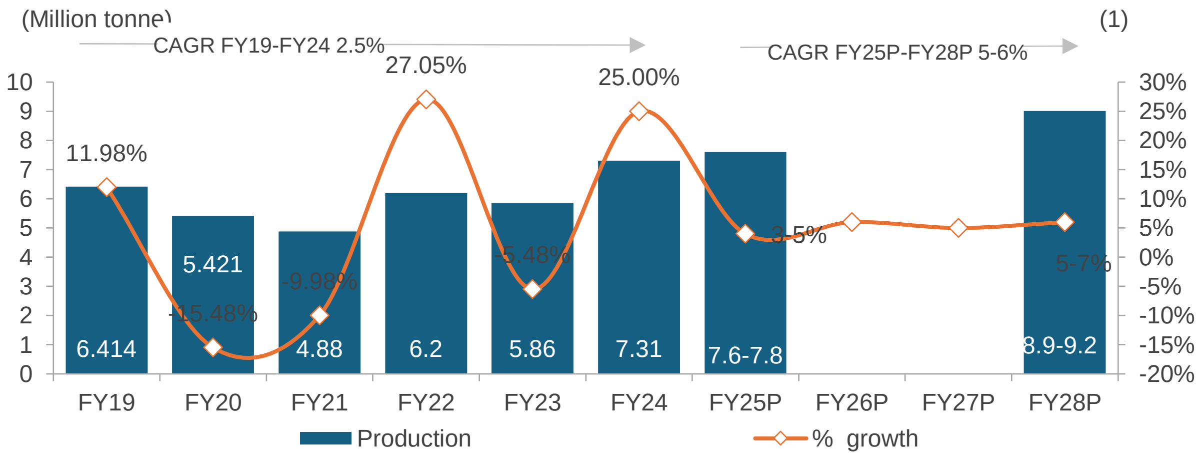
Pig iron is an intermediate obtained while smelting iron ore with a high-carbon fuel, such as coke or limestone, used as a flux (reducing agent) when making iron in a BF. Usually there are two grades of pig iron:

1. Steel grade pig iron used to make steel.
2. Foundry grade pig iron, with a higher degree of silicon and better controlled carbon content used in foundries to produce castings and forgings.

Raw materials

Iron ore, coking coal and fluxes such as limestone are key raw materials used to produce pig iron. Coke is the reducing agent, while fluxes remove impurities in the ore. Pig iron is manufactured via the BF route.

Pig iron production and outlook (FY19-FY28P)



Source: JPC

Pig iron production logged a muted CAGR of 2.57% between fiscals 2019 and 2024 despite robust growth rates recorded in fiscals 2022 and 2024 on a low base. In fiscals 2020, 2021 and 2023, the production declined on account of elevated and volatile coal costs, a key raw material used in pig iron production.

In fiscals 2020 and 2021, the production declined because of weak demand from both steel and casting segments coupled with a decline in its share in crude-steel blending mix by IF/EAF players. This can be attributed to a fall in demand from the castings industry (35-40% of pig iron end-use demand mix) especially from the automotive sector. If fiscal 2020, steel demand growth had moderated to 1.4% on-year and crude-steel production growth declined 1.5% on-year. As Covid-19 dampened steel production, demand from the castings segment remained weak in the first half of fiscal 2021. Healthy recovery was visible from October 2020 onwards with revival of the auto, real estate and construction and white goods sectors. Overall, pig iron production declined in fiscal 2021.

Fiscal 2022: Domestic pig iron production rose 18.1% on-year on a low base in fiscal 2022, with demand from the castings and steel industries growing in double digits in the second half of the fiscal. The conflict between Russia and Ukraine and sanctions imposed on the former opened doors for exports of pig iron in March, pushing up the prices. The sanctions led to supply-chain issues since Russia is the third-largest exporter of pig iron. Also, growth in the fiscal was optical because of low base in the previous fiscal owing to weak demand from the castings sector in the third and fourth quarters.

Fiscal 2023: Pig iron production fell 6.1% on-year to 5.86 MT despite a healthy 5.7% growth in crude-steel production owing to higher blending of scrap because of low prices and the slowdown in the EU, resulting in lower consumption of pig iron. Also, high input costs forced long-steel players to blend more substitute products such as scrap and sponge iron, which are of lower prices.

Fiscal 2024: Pig iron production touched an all-time high of 7.3 MT in fiscal 2024, up 25% on-year on a low base. New production capacities commissioned by NMDC (Nagarnar plant) and Bengal Energy supported the production growth. The growth was also driven by the steel sector which grew a healthy 12.6%. Also, lower coking coal costs, improvement in supply and weak global market conditions boosted pig iron production.

Pig-iron production outlook (FY25P-FY28P)

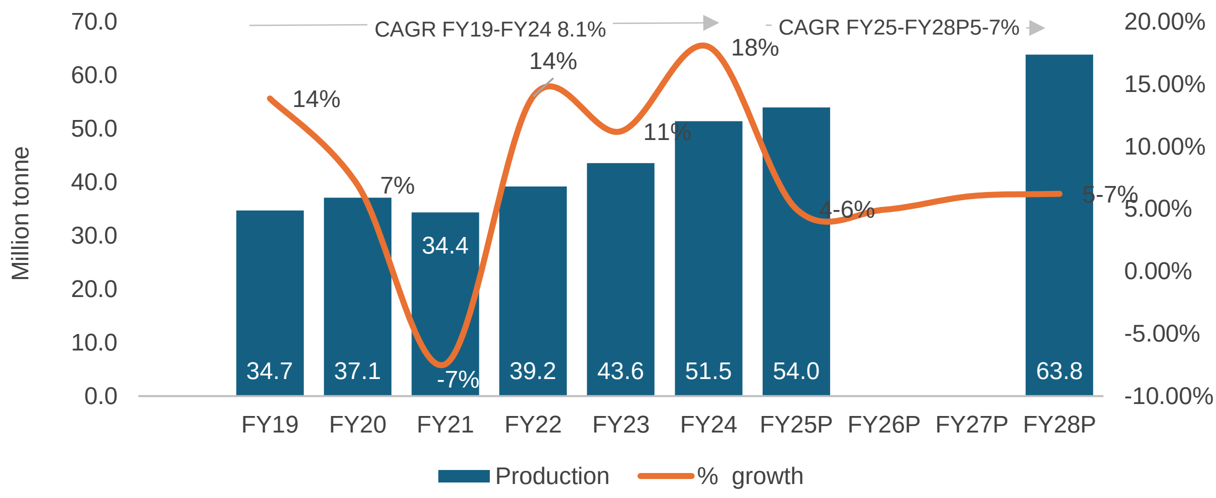
Fiscal 2025 outlook: The growth of the steel sector, a major driver for pig iron industry, is expected to moderate this fiscal on a high base of fiscal 2024. Further, growth in the castings sector is also expected to be average. These factors will impact pig-iron supply this fiscal. Overall production is set to grow 5-6% to 7.6-7.8 MT supported by moderate crude-steel production growth of 6-8%. Another factor that will support pig iron production is a drop in coking coal cost. As the industry is fragmented and consists of small players, elevated coal costs usually impacts the production. Coking coal cost is expected to drop 6-8% this fiscal amid a rise in supply from Australian mines and moderation in Indian crude-steel production growth in the first half with the onset of monsoons.

Between fiscals 2025 and 2028, we expect pig iron production to log a stable 5-6% CAGR. The base effect is waning and EAF/ IF players are easing the ramping up of capacities. Since no major capacities are expected in the EAF/ IF segment, growth for steel-grade pig iron would be weak in the medium term.

Sponge iron

Sponge iron (or DRI) is produced by reducing (removing oxygen) from iron ore to increase free iron content. This also makes the ore porous. Sponge iron is popularly used as a feed in EAFs/ IFs and as a substitute for steel scrap because high-quality scrap is costly and scarcely available. Integrated steel plants also use it as a coolant, again as a substitute to melting scrap. Sponge iron is of two types — coal-based and gas-based — based on the reducing agent (coal or natural gas) used to remove oxygen from the ore. Usually coal-based sponge iron account for 80% of the market share and gas-based sponge iron the balance. The key materials for this sector are natural gas, thermal coal and iron ore (fines/ pellets).

Sponge iron production and outlook (FY19-FY28P)



Source: JPC

Sponge iron production logged a healthy 8.1% CAGR between fiscals 2019 and 2024. The sector has been witnessing a consistent double-digit growth since fiscal 2021, when it had degrown owing to the pandemic-led slowdown. This growth can be attributed to healthy long-steel production driven by infrastructure and construction activities.

Fiscal 2022: Long-steel demand, a key marker for DRI, grew a healthy 9% on-year, spurred by offtake by key infrastructure projects and housing and real estate construction, which translated into a 13.5% rise on-year in sponge iron output to 39.09 MT on a low base.

Fiscal 2023: Sponge iron output touched 43.5 MT, a 11.1% on-year rise as a result of high long-steel demand of 65 MT (11% growth) driven by the allied sectors. Long-steel segment also benefitted from an 18% increase in the government's infrastructure capex for the fiscal. A 34% reduction in iron ore cost, brought on by the new tax regulations in May 2022, had boosted growth and profitability of the segment. However, this was offset by high thermal coal cost.

Fiscal 2024: Long-steel production touched 74.5 MT in fiscal 2024, up 14.1% on-year driven by robust infrastructure projects and healthy growth in allied sectors. In fiscal 2024, sponge iron production grew 18% to 51.5 MT supported by long-steel sector. Further, drop in thermal coal cost in the domestic and global markets supported the production growth.

Sponge iron production outlook (FY25P-FY28P)

Fiscal 2025 outlook: A moderation in long-steel demand growth to 4-6% on a high base is set to impact DRI production growth this fiscal. The output is expected to witness a moderate 5-7% growth on-year to 53-55 MT on a high base. Government housing schemes such as PMAY-Urban are nearing conclusion and a slowdown in the growth of allied sectors is expected to impact the DRI output. Falling thermal coal prices and improved availability will support production. In the first half, long-steel demand growth is expected to slow down because of monsoons and labour shortages.

Between fiscals 2025 and 2028, long-steel demand is expect to log a 5-7% CAGR. Lower EAF/IF crude steel production growth will moderate sponge iron output to 5-6% CAGR, with most of the capacity expansions expected in the BF/BOF stage.

Substitutable products and their characteristics:

Scrap is a direct substitute of sponge iron/ DRI in steel making and has a higher conversion yield. Steel scrap is defined as a metal that contains iron and is recyclable. It is generated while making steel products. Products with steel as a key component that have ended the useful life is also considered scrap steel. Based on the generation, scrap is classified into three types:

1. **Obsolete scrap:** Obsolete scrap is steel-based industrial and consumer products (such as cars, appliances, buildings, bridges, ships, cans, railway coaches and wagons) that have reached the end of their useful lives.
2. **Home scrap:** Home scrap is generated during the manufacturing process of steel/ steel products.

3. **New/ prompt scrap**: New/ prompt scrap is produced by industries that use steel/ steel products as a raw material in their production process. Examples include the automobile, construction, pipe and tube industries.

Characteristics:

Lower emission intensity
One of the main characteristics of scrap is its recyclability and lower emission intensity.

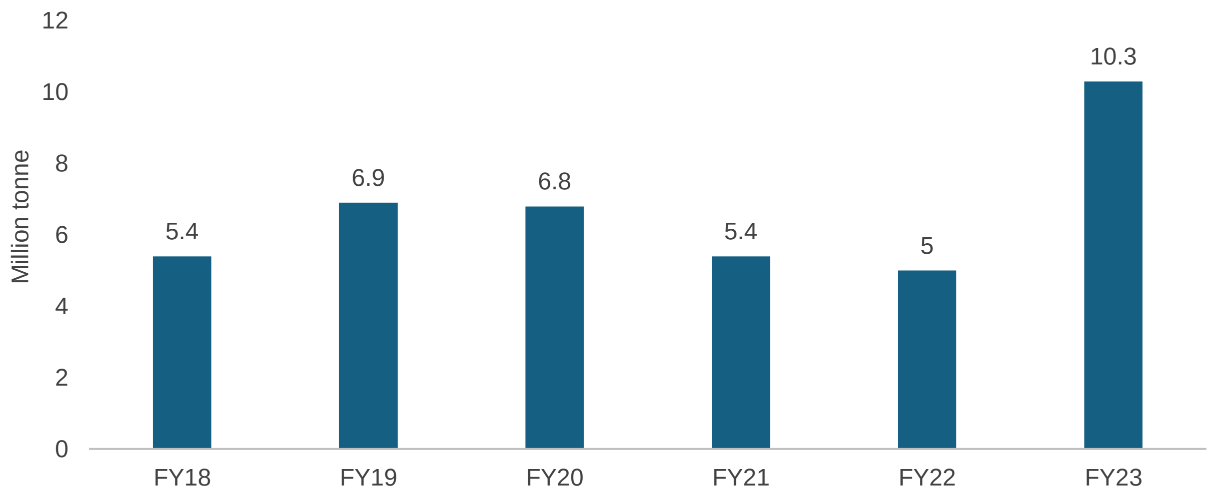
The World Steel Association believes the steel industry needs to concentrate on enhancing its operating efficiency, for example, by increasing scrap utilisation to lower intensity of CO_2 emission. However, shifting towards scrap-based steel manufacturing depends on the availability of high-grade scrap. Increasing the use of steel scrap in the steel manufacturing process reduces carbon emissions, as the DRI scrap/ EAF route uses lower quantity of coal. Steel can be completely recycled, which indicates it can be reused up to a certain point, resulting in the creation of a circular economy. Circular steel manufacturing methods comprise reducing, reusing, remanufacturing and recycling. Given this, the use of steel scrap in steel production can be increased.

Steel scrap uses 74% less energy. By avoiding the use of 1.6 tonne of iron ore, 740 kg of coal and 120 kg of limestone, each tonne of scrap used to make steel reduces CO_2 emissions by 1.5 tonne. That said, to produce quality steel, reasonable quality of scrap is a must. Currently, the global recycling rate of steel is 85%, which leaves room for improvement in this rate.

Lower availability of scrap in India

Scrap is a key substitute for sponge iron. However, low availability of scrap has rendered India a net importer of scrap. In fiscal 2024 (April-Jan), the country imported ~9 MT of scrap. As per data released by the Ministry of Commerce and Industry, in fiscal 2023 the imports stood at 10.5 MT, up 109% on-year. A lower demand in Europe and a fall in prices led to the rise in import volumes. Volume wise, in fiscal 2023, the US was the largest exporter to India followed by the UAE, UK, Singapore and South Africa. Around 46% of the total ferrous scrap imported by India in the fiscal was from the US, UAE and UK. Lower availability of scrap in India is one of the factor driving the DRI sector.

India scrap imports



Source: Trade statistics, Ministry of Commerce and Industries

Pig iron, DRI and scrap are substitute products. They are blended in specific proportions to make steel. However, the pig iron market share is very low compared with DRI in India. However, any price decline in pig iron/ scrap market is set to impact the sponge iron sector.

INDIAN STEEL PRODUCTION, CAPACITIES AND CAPACITY UTILISATION

Crude steel production: Review and outlook

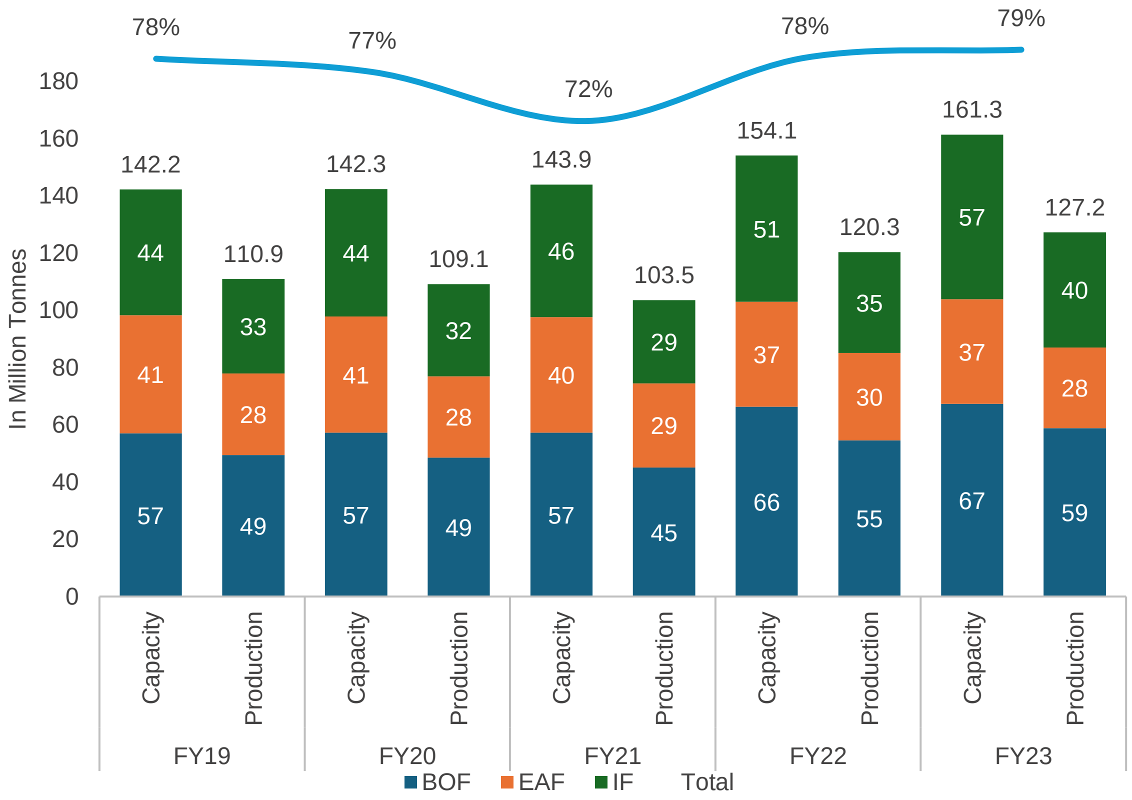
Crude steel is the first solid steel obtained from solidification of liquid steel.

In fiscal 2023, 79% of India's total steelmaking capacity of 161.3 MT was utilised. The country's crude steel production in the fiscal was 127.2 MT. Around 42% of it was produced through the BOF route, 36% through the IF route and around 23% by the EAF route. Between fiscals 2019 and 2023, the country's crude steel production logged a CAGR of 3% (despite the pandemic-hit fiscals 2020 and 2021). As per the recent JPC report, crude steel production (provisional) in fiscal 2024 stood around 144 MT, up ~13.2% on year. Robust demand from the end-user segments supported the production. Notably, in calendar year 2018, India had surpassed Japan to become the second largest crude steel producer in the world.

Capacity, production and utilisation

MT	FY19	FY20	FY21	FY22	FY23
Crude steel capacity	142.2	142.3	143.9	154.1	161.3
Crude steel production	110.9	109.1	103.5	120.3	127.2
Utilisation	78%	77%	72%	78%	79%

Crude steel capacity, output and utilisation by production technology

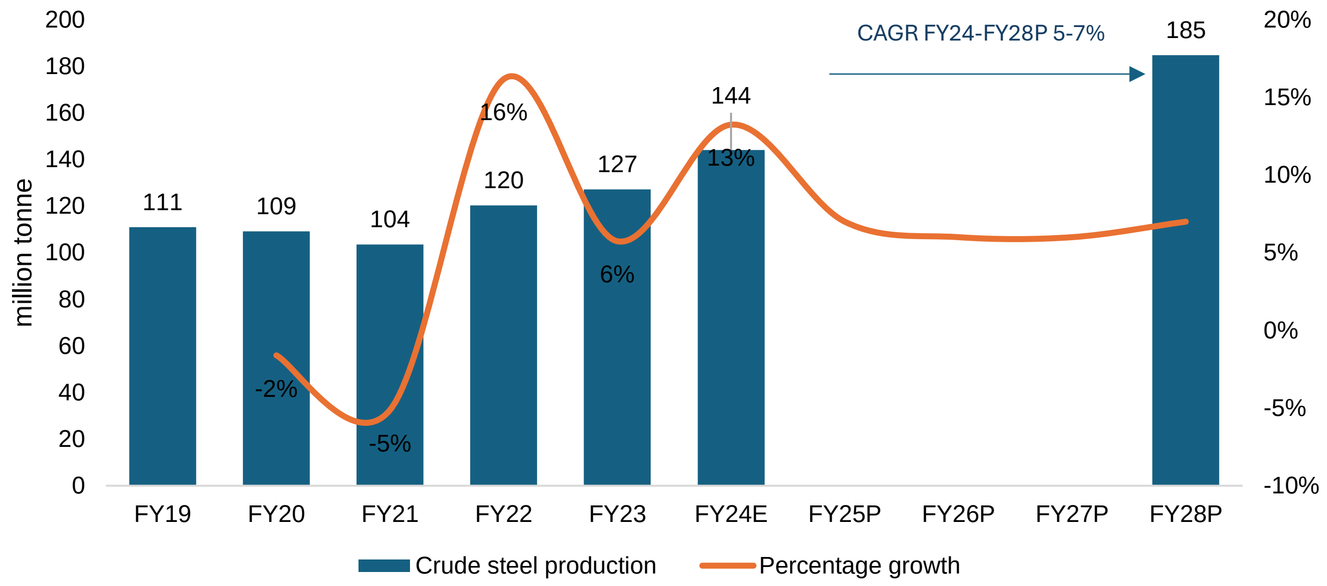


Source: JPC

Outlook: As per the NSP 2017, by fiscal 2031 the country should have 300 MTPA steelmaking capacity to meet the domestic demand. Crude steel production is envisaged to reach more than 250 MTPA by then. Various steps are being taken to achieve the target. For instance, the government has made procurement of made in India steel mandatory for government projects. It also introduced Production Linked Incentive (PLI) scheme to boost specialty steel manufacturing. Apart from these, there are also other schemes such as PM Gati Shakti and Pradhan Mantri Awas Yojana (PMAY). According to the JPC's press release in March 2024, in fiscal 2024 domestic finished steel demand is estimated to have increased 13.6% and crude steel production, 13.2% on-year.

As per CRISIL MI&A Research estimates, in fiscal 2025, crude steel production is expected to grow 6-8% on-year on a high base. To support the domestic demand, the country needs to add 70-73 MT capacity by fiscal 2028 to the reported capacity of 161.3 MT in fiscal 2023. Aligning with the domestic demand CAGR of 6-8% between fiscals 2024 and 2028, crude steel production is expected to log a CAGR of 5-7%. Government capex on infrastructure-related activities and demand from other allied sectors are likely to drive the demand.

Crude steel production trend



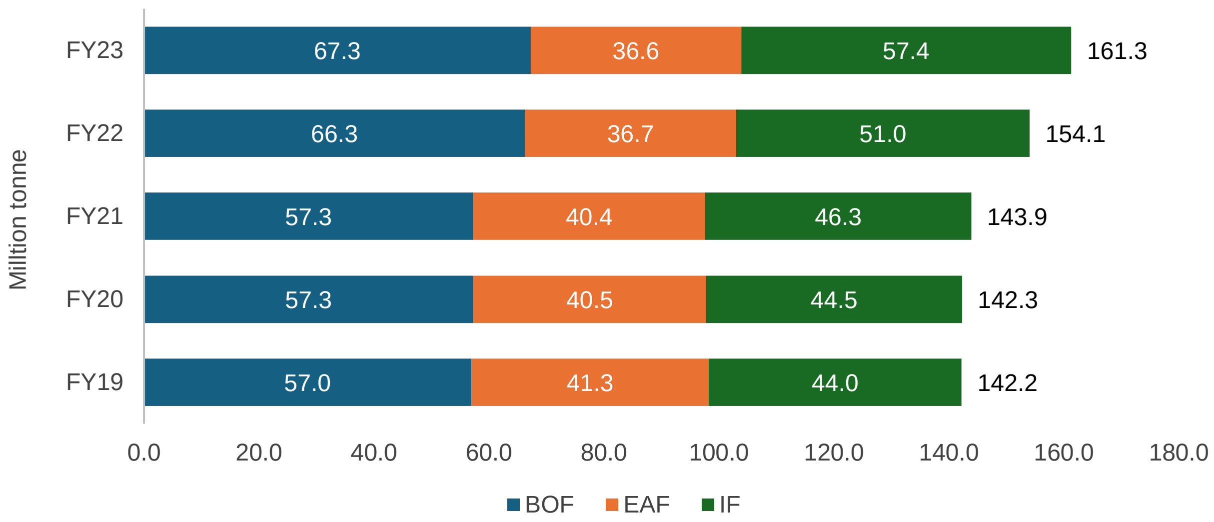
Source: JPC, CRISIL MI&A Research

Indian steelmaking capacity by production technology

Domestic steel capacity has grown 19 MT from fiscal 2019 to fiscal 2023 to 161.3 MT.

Three types of technologies are used for making steel in India — BOF, EAF and IF. Around 42% of India's fiscal 2023 steel capacity was BOF, 23% EAF and the balance 36% IF. As per the CRISIL MI&A Research estimates, the country will likely add 70-73 MT capacity by fiscal 2028. Steel players are rapidly expanding given the robust demand in the domestic market. In the post-Covid period, rapid recovery owing to pent-up demand and increased government spending on infrastructure and related sectors led to three consecutive years of double-digit demand growth — 11.4% in fiscal 2022, 13.4% in fiscals 2023, and 13.6% in fiscal 2024 (provisional). Between fiscals 2025 and 2028, the demand is expected to grow at 6-8% CAGR.

Share of crude steel capacity by production technology

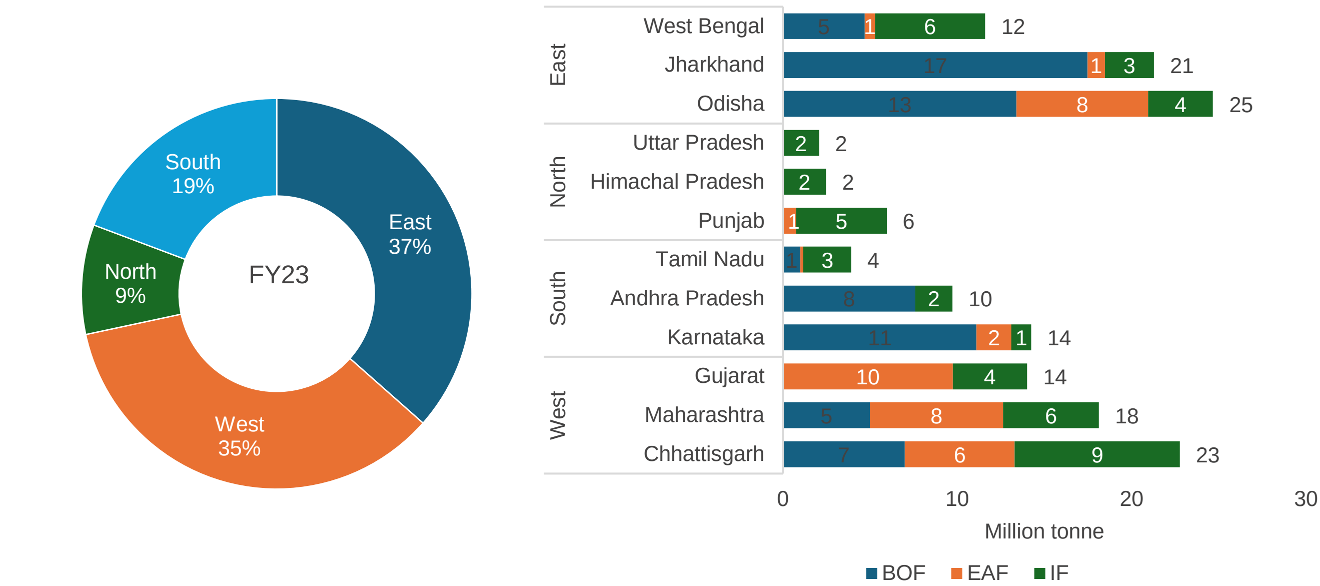


Source: JPC

Steelmaking capacity by state

The eastern and western regions have a higher share in steelmaking capacity. In the east, Odisha has the highest steelmaking capacity, of 25 MT (mostly BOF), followed by Jharkhand with 21 MT (mostly BOF). In the west, Chhattisgarh tops with a steelmaking capacity of 23 MT (mostly EAF), followed by Maharashtra with 18 MT (mostly IF). In the south, Karnataka is the biggest with 14 MT capacity followed by Andhra Pradesh with 10 MT. In the north, Punjab dominates with a capacity of 6 MT.

Region-wise steelmaking capacity

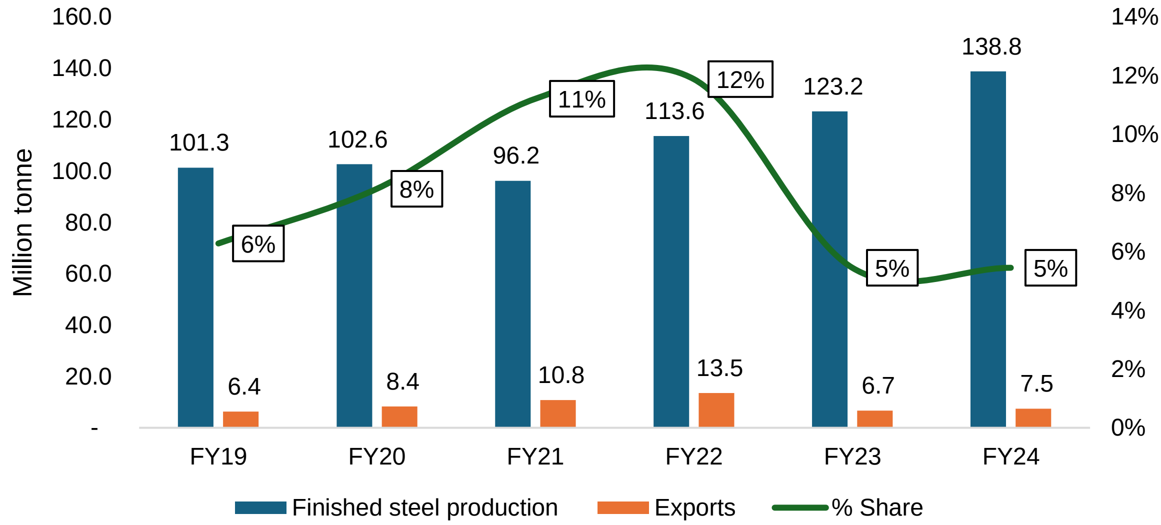


Source: JPC

Finished steel production

Review and outlook
According to the Union Ministry of Steel, finished steel products are obtained after hot rolling/ forging of semi-finished steel (booms/ billets/ slabs). Finished steel products are classified into non-flat and flat products. Indian finished steel production in fiscal 2023 was 123.2 MT. Between fiscals 2019 and 2023, the country's finished steel production logged ~5% CAGR (including pandemic-hit fiscals 2020 and 2021). Apart from domestic consumption, a small portion of the finished steel produced is also exported, mostly flat products. As per the recent JPC report, finished steel production (provisional) in fiscal 2024 was 138.8 MT, up ~12.7% on year. Robust demand from end-user segments supported production.

Finished steel production and exports in percentage terms

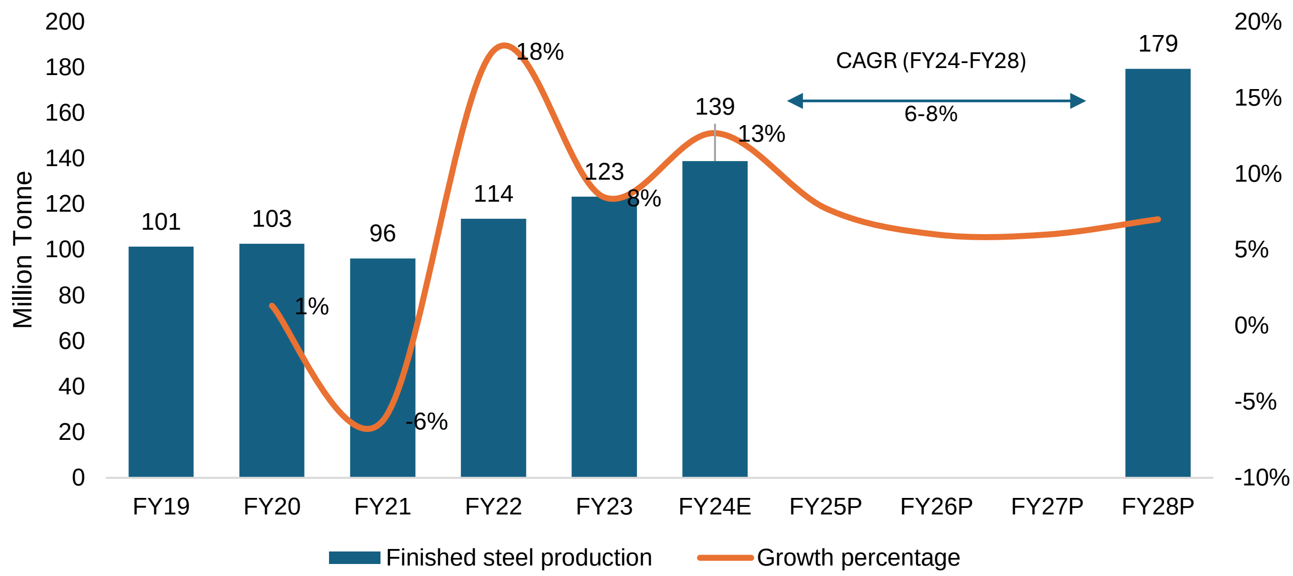


Source: JPC

Outlook: Increased government spending on infrastructure and related sectors boosted domestic demand 13.6%

(provisional) in fiscal 2024. Finished steel production grew 12.7% on-year. With the share of exports on the lower side, domestic demand has played a vital role in driving production. CRISIL MI&A Research expects finished steel production to log 6-8% CAGR between fiscals 2024 and 2028, with support from the allied sectors in the domestic market and government spending.

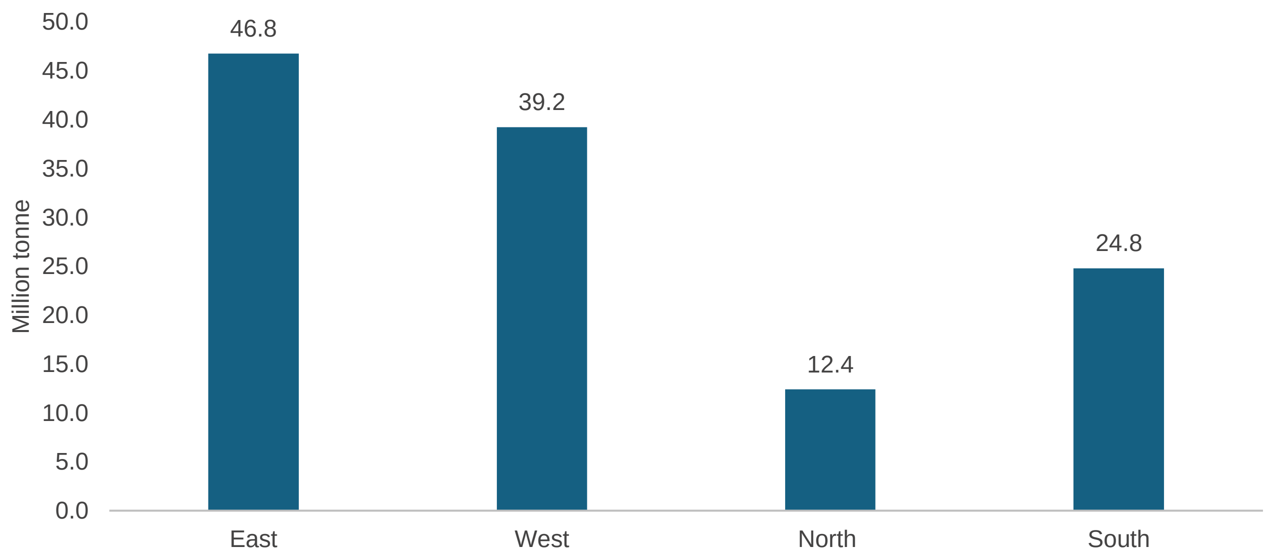
Finished steel production trend



Source: JPC, CRISIL MI&A Research

Region-wise finished steel production

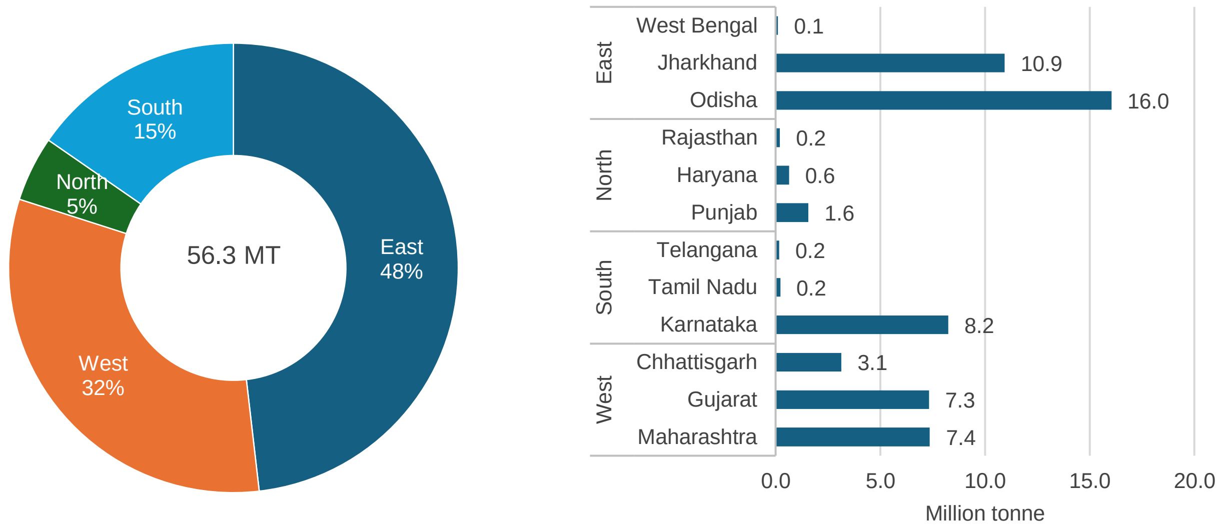
Finished steel production — region-wise (FY23)



Source: JPC

In fiscal 2023, the eastern region accounted for 38% of the total domestic finished steel production. It was followed by the west (32%), south (20%) and the north (the balance).

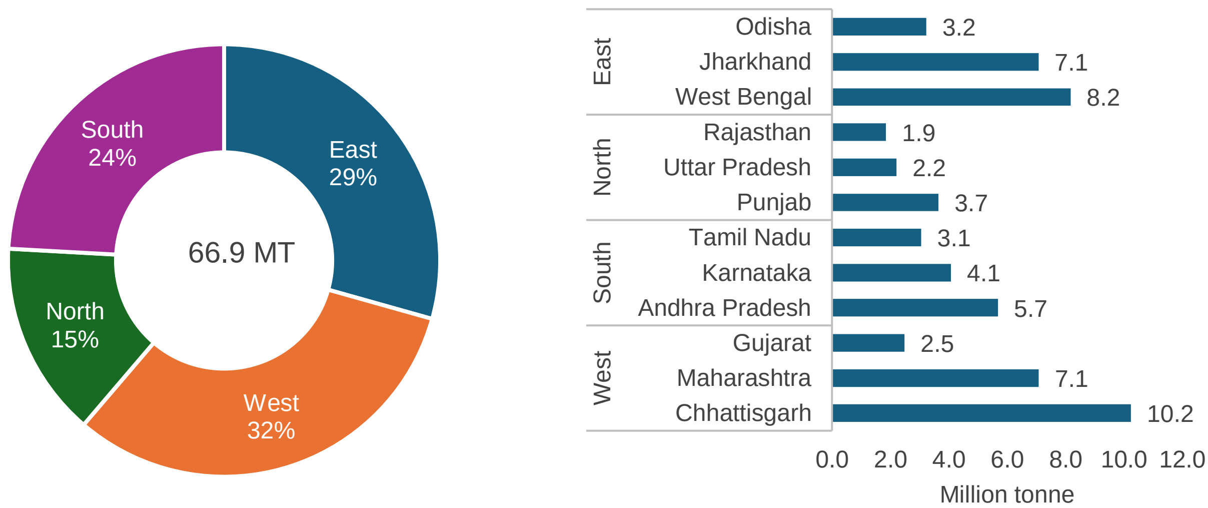
Region-wise flat steel production (FY23)



Source: JPC

In flat-steel production, the eastern region dominated with 27 MT in fiscal 2023. It was followed by the western region (17.8 MT). Among the states, Odisha was the top producer, followed by Jharkhand in the eastern region. It was followed by Karnataka in the southern region and Maharashtra and Gujarat in the western region.

Region-wise non-flat steel production (FY23)



Source: JPC

In non-flat products, the western region dominated, producing 21.3 MT in fiscal 2023. It was followed by the eastern region, producing 21.7 MT. Among the states, Chhattisgarh was the top non-flat-steel producer, followed by Maharashtra in the west. In the east, West Bengal followed by Jharkhand were the major producers during the fiscal.

IMPORT AND EXPORT OF STEEL

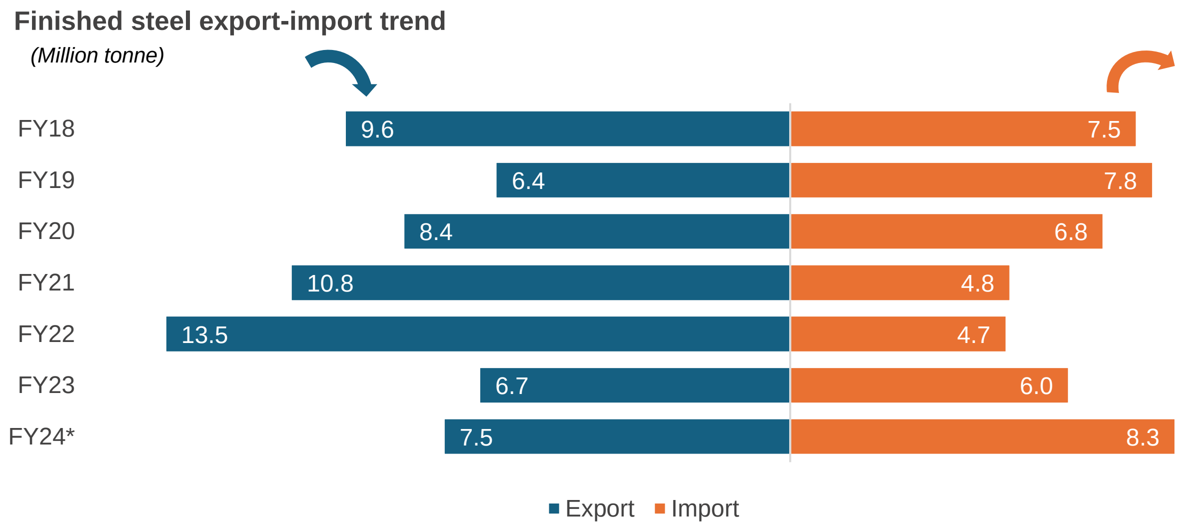
Majority of the steel produced in India is domestically consumed. Except in fiscals 2021 and 2022, wherein global supply was impacted because of the pandemic, India exported only 6-7% of finished steel production, annually, over the past five fiscals. Also, while lockdowns were gradually relaxed in most economies, China, which accounted for ~50% of global production, continued to implement strict lockdowns in major cities, leading to a global supply deficit. Indian steel mills benefited. Finished steel exports increased 29% on-year in fiscal 2021 to 10.8 MT, rising a further 25% on-year in fiscal 2022 to 13.5 MT. In contrast, imports declined 30% on-year in fiscal 2021 to 4.7 MT, and a further 1.8% on-year in fiscal 2022. In fiscal 2023, geopolitical concerns in Europe increased steel prices within a short period.

To control price volatility, the Indian government imposed an export duty on steel and its raw material. The measure lowered domestic steel prices, with exports declining 50% on-year to 6.7 MT. Still, global steel prices fell sharper than domestic prices owing to China's real estate market being in recession, Europe and other steel-consuming economies facing inflationary headwinds, and declining steel demand globally.

In contrast, India's steel demand continued to rise, which increased imports 29% on-year to 6 MT. In fact, India was a net exporter of steel over the past five fiscals, except in fiscal 2024, wherein India imported 8.3 MT of finished steel (provisional), up 38.2% on-year, and exported 7.5 MT of finished steel, up 11.5% on-year.

Robust demand from end-consumer industries absorbed the price hikes from domestic mills. This translated into domestic steel prices trading at a premium to global prices, thereby improving trader margin on imported steel. At the same time, steel mills focused on the domestic market instead of exports because of better realisation opportunities. As a result, export volume plunged ~72% on-year in September and ~31% on-year in November, eventually reversing in the fourth quarter as domestic prices cooled.
Also, to promote India as a 'value-added' steel-exporting country, reduce dependency on specialty steel imports, and in line with the NSP, 2017, the government launched the PLI scheme for the steel sector, with a budgetary outlay of Rs 6,322 crore as incentives.

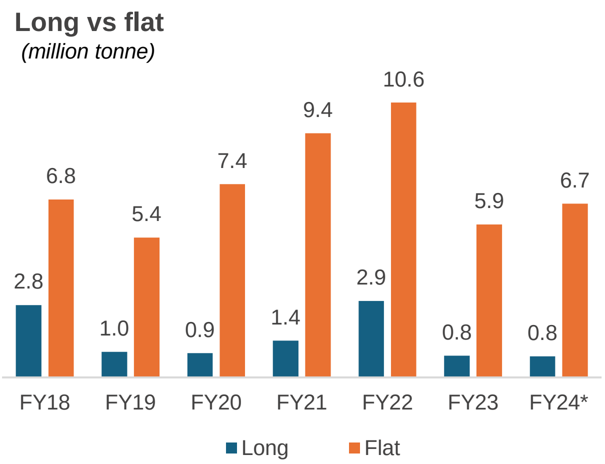
This scheme will benefit integrated steel producers as well as micro, small and medium enterprises. To be sure, the scheme is expected to attract an additional investment of Rs 39,600 crore for setting up of new plants for production of specialty steel, which has the potential to lead to an additional capacity of ~25 MT in downstream steel manufacturing in the country.

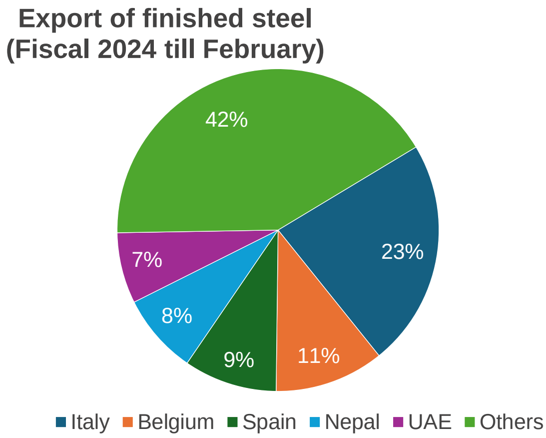


**Provisional figures*
Source: JPC, CRISIL MI&A Research estimates

Export of iron and steel products

Finished steel





**Provisional figures*
Source: JPC, CRISIL estimates

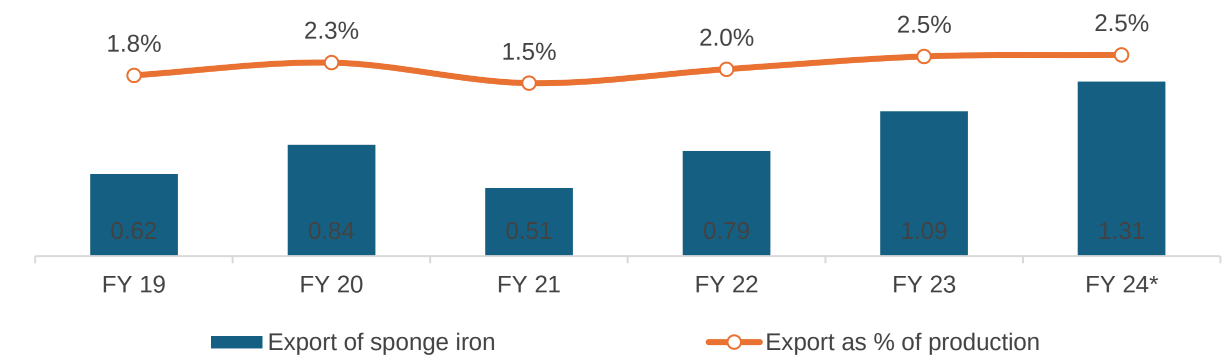
In fiscal 2024, India is estimated to have exported 7.5 MT of steel. Of the total exports, 89% was in the flat segment and ~11% in the long segment. The average share for the past five fiscals, i.e., fiscal 2020 to fiscal 2024 (provisional) for the long segment, was 14%, majorly skewed by an increase in fiscal 2022 to ~22% due to pandemic-induced lockdowns in east Asian nations. In terms of chemical composition, India's steel export bucket comprised 8-9% alloy steel, while the rest was non-alloy steel. The average share for the past five fiscals for the alloy segment was 12%, skewed by the fiscal 2022 trade, wherein alloy had ~33% share. In terms of region, Europe remains the largest export destination for India, with Italy, Belgium and Spain (EU-27 countries) accounting for ~43% share of total exports, followed by Nepal (7%) and the UAE (7%). In terms of product-wise bifurcation, ~37% of the exported finished steel was HR coils and strips; ~17% GP/GC steel; ~15% bars, rods and pipes; ~10% and ~7% alloys+stainless steel and CR coils and sheets, respectively; and the remaining ~24% comprising multiple categories. Bulk of the export to Italy (+60%) was of HR coils and strips, ~20% GP/GC, ~10% CR coils and sheets, and the rest ~10% various product categories, such as bars and rods, plates, pipes, etc.

Going forward, imposition of trade and traffic barriers by importing countries to promote the adoption of greener steel production methods and protection against cheaper imports remain key monitorables. The EU has implemented the Carbon Border Adjustment Mechanism, which will increase the cost of exports to Europe.

Sponge iron and pellets

Most of the sponge iron produced in India is consumed domestically. However, a small portion is exported to neighbouring countries. Of the 51 MT of sponge iron produced in fiscal 2024 (provisional), only 1.3 MT was exported. This translates into 2.5% of total production. Over the past five fiscals as well, average exports as a percentage of production were a mere ~2.2%. Nepal and Bangladesh are the key destination countries for sponge iron, accounting for ~85% share of India's exports. In value terms, total exports were Rs 3,899.8 crore.

Sponge iron exports
(Million tonne)

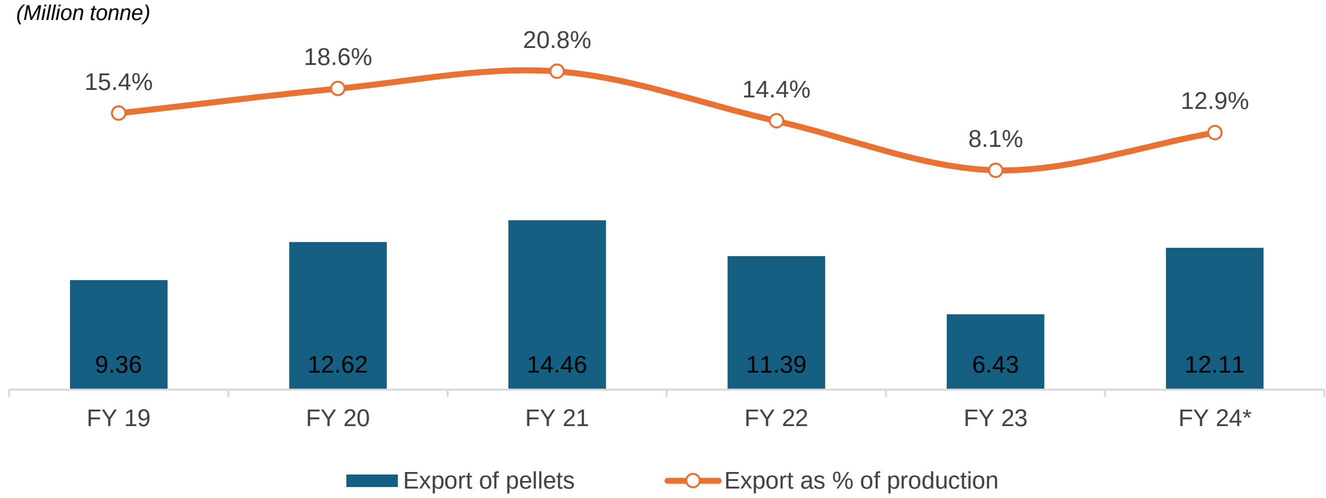


**Provisional figures*
Source: JPC, CRISIL estimates

To be sure, India has considerable iron ore reserves, with current production of iron ore and pellets not only supporting domestic players, but some portion also exported. In fiscal 2024 (provisional), exports reached 12.1 MT, which was 12.9% share of total domestic pellet production. Over the past five fiscals, average exports as a percentage of total production were ~15%. This included a high of 18.6% and 20.8% in fiscals 2020 and 2021, respectively, owing to Covid-induced global supply deficit, and lows of 8.1% in fiscal 2023 because of the imposition of export duty on steel and its raw materials between May 2022 and November 2022.

China is the largest export market of Indian pellets, comprising ~86% share of total exports in fiscal 2024. Southeast Asian and European markets accounted for the remaining 14% share.

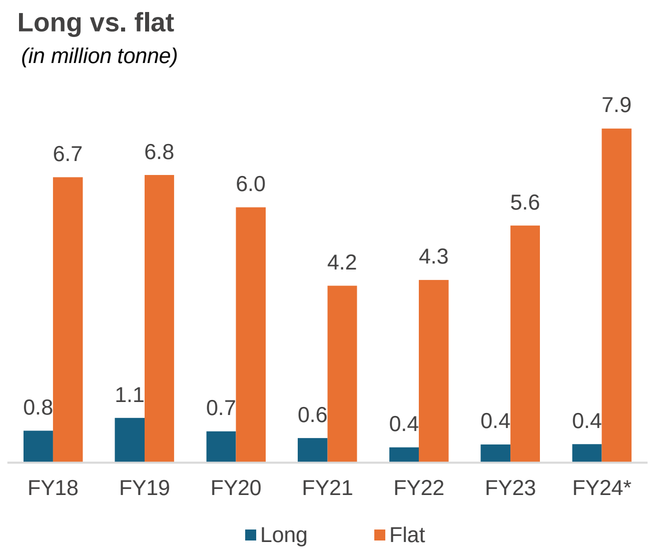
Pellet export
(Million tonne)

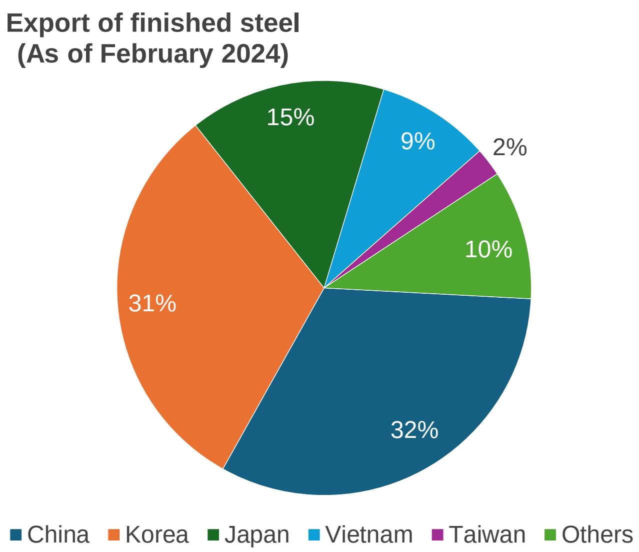


**Provisional figures*
Source: JPC, CRISIL estimates

Import of iron and steel products

Finished steel





**Provisional figures*
Source: JPC, CRISIL estimates

While domestic steel mills mainly cater to domestic demand, certain grades require to be imported. With Indian mills increasing capacity in the current decade and support from the PLI scheme for steel, the reliance of import on such specialty steel is expected to decline gradually. In fiscal 2024, India is estimated to have imported 8.3 MT of finished steel. The ~38% increase in imports in fiscal 2024 can be attributed to 2.3 MT of incremental flat steel imports. In terms of chemical composition, India's import bucket comprised 26% alloy steel, with the rest accounting for non-alloy steel. The average share of alloy segment over the past five fiscals was 33%. Flat steel comprised 95% share, with the long segment accounting for only ~5%. The average share of the long segment between fiscals 2020 and 2024 (provisional) was 9%.

Under region-wise imports, South Korea was the largest exporter of finished steel to India in fiscals 2022 and 2023. The trend changed in fiscal 2024, though. In China, lukewarm domestic steel demand forced mills to explore export opportunities, leading to a significant jump in finished steel exports from China to India, which increased 91% on-year, thereby becoming the largest exporter to India. Imports from Japan and Vietnam also increased ~51% and ~130%, respectively, with imports from South Korea rising only ~17%.

Product-wise, ~37% of the imported finished steel was HR coils and strips, ~26% alloys and stainless steel, ~15% GP/GC, ~8% plates, ~3.5% CR coils and sheets, ~4% electrical sheets and the remaining accounting for ~7.5% of multiple categories, such as pipes, and bars and rods. China accounted for bulk of the imports, with alloy and stainless-steel comprising 33% share, HR coils and strips ~24% and GP/GC coated steel CR coils being ~13%.

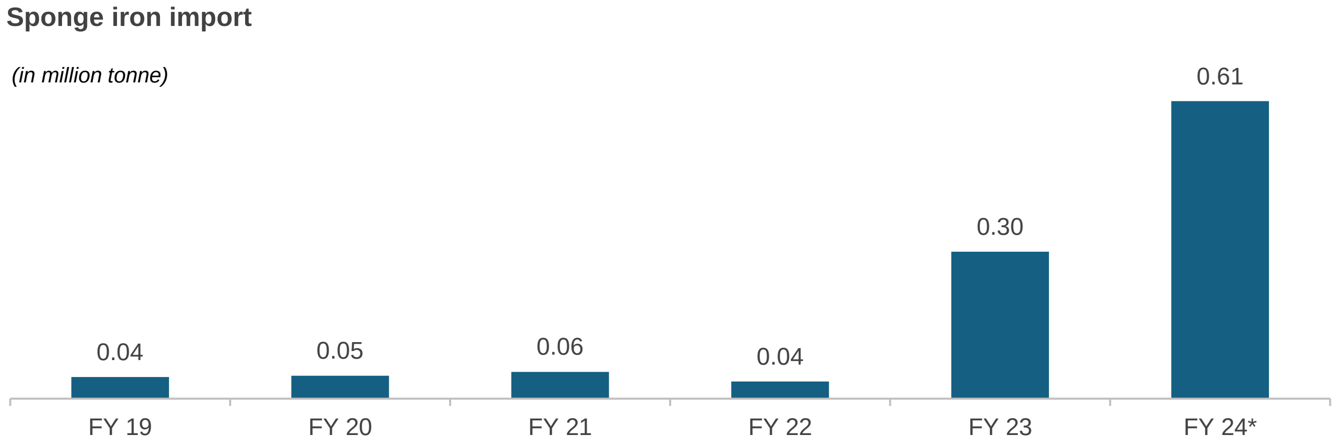
Imports from South Korea were majorly HR coils and strips, accounting for 42% of the finished steel imports, while the share for alloy and stainless steel, and GP/GC coated stood at 23% and 18%, respectively.

The increase in India's steel imports is because of other major economies reeling under the pressure of inflation, elevated interest rates, sanction-related trade flow issues and slowing demand. In fact, India has posted double digit growth in imports for three consecutive years. Although the quantity imported with regards to the total domestic consumption is significantly low, competitive imports has led to softening of prices, thereby impacting Indian mills.

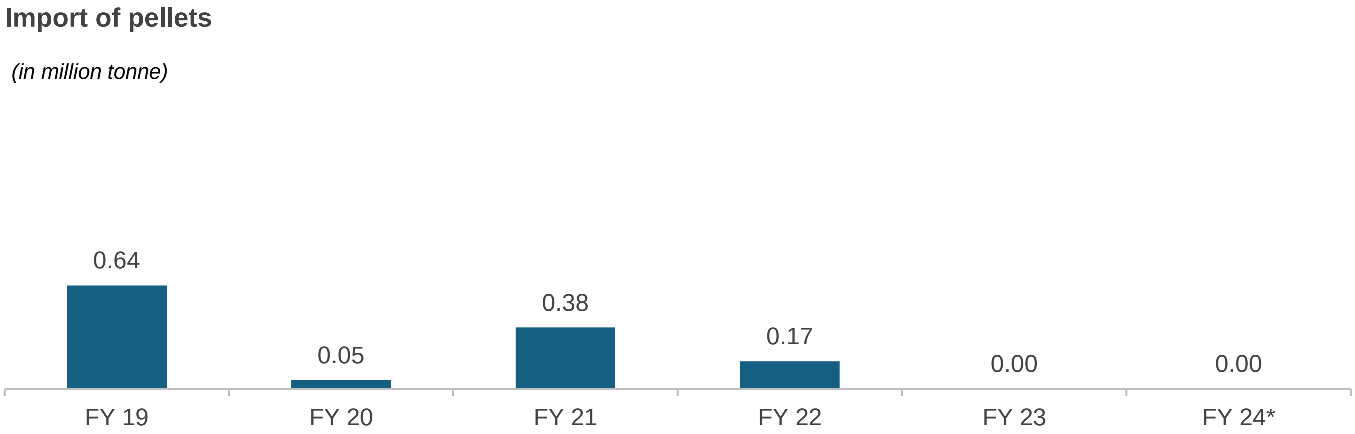
Sponge iron and pellets

Sponge iron and pellet imports comprise a minimal share. In fiscal 2024, the jump in the overall imports reaching 0.6 MT was majorly from Russia. India imported 0.5 MT of sponge iron from Russia in fiscal 2024, which was nil in fiscal 2023. Regular trade partners of India for sponge iron imports are South Africa and Middle East countries, such as Oman, Bahrain and the UAE.

India has not imported pellets in the past two fiscals



**Provisional figures*
Source: JPC, CRISIL estimates



**Provisional figures*
Source: JPC, CRISIL estimates

GOVERNMENT REGULATIONS AND POLICIES IN THE INDIAN STEEL SECTOR

NSP 2017: The policy is an effort to steer the industry towards achieving its full potential and enhance steel production with a focus on high-end value-added steel while being globally competitive.

Vision: To develop a technologically advanced and globally competitive steel industry that promotes economic growth.

Key targets:

- Self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, central public sector enterprises and encourage adequate capacity additions
- Cost-efficient production and domestic availability of iron ore, coking coal and natural gas
- Increase per capita steel consumption to 160 kg by fiscal 2031
- Meet the domestic demand for high-grade automotive, electrical and special steel and alloys for strategic applications by fiscal 2031
- Increase domestic availability of washed coking coal to reduce the reliance of import on coking coal from ~85% to ~65% by fiscal 2031

PLI scheme: The objective of the PLI scheme for specialty grade steel is to promote its local manufacturing. This incentive will boost the domestic production of specialty steel and attract significant investments in this space. It will also help the Indian steel industry mature in terms of technology and move up the value chain. In 2021, the PLI scheme for specialty steel was approved by the union cabinet with a five-year financial outlay of Rs 6,322 crore to promote the manufacturing of specialty steel. In 2022, 67 applications from 30 companies were selected with a committed investment of Rs 42,500 crore.

Steel import monitoring system: The system was instituted by the Ministry of Commerce and Industry to provide advance information about steel imports to the government and relevant stakeholders. The purpose of the licensing system is to provide statistical data on steel imports entering India prior to their arrival.

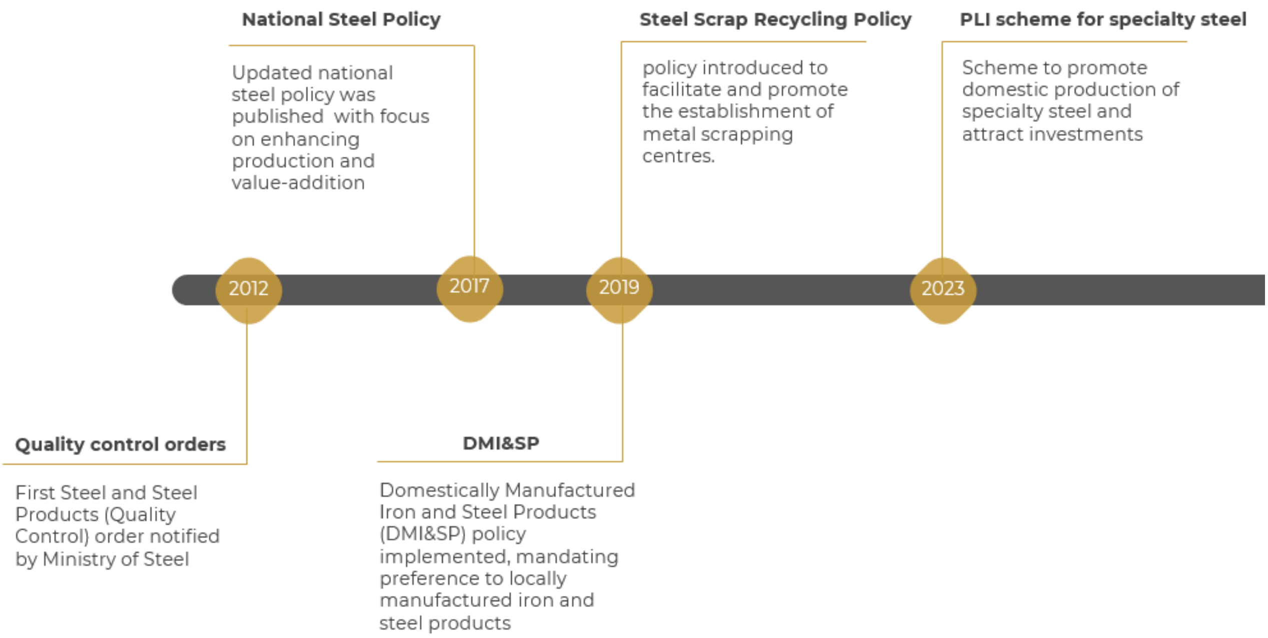
Steel and steel products (quality control) orders: The orders ensure standardisation of the quality of steel available in the market and safeguard the Indian steel market from sub-standard imports.
A total of 3,285 Indian Trade Classification (Harmonised System) codes of steel were covered as of fiscal 2023, under 152 heads, in the quality control orders on steel.

Steel scrap recycling policy (2019): The policy was introduced to facilitate and promote the establishment of metal scrapping centres and ensures that quality scrap is available for the steel industry.
The objective of the policy is to promote a formal and scientific collection, dismantling and processing activities for end-of-life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps, which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap.

DMI&SP policy: The policy mandates preference to locally manufactured iron and steel products with a minimum of 15–50% value addition in government procurement. This also supports value-added steel production. The policy is envisaged to promote growth and development of the domestic steel industry and reduce the inclination to use low-quality and low-cost imported steel in government-funded projects.

Pilot projects for use of green hydrogen in steel sector: Under the National Green Hydrogen Mission, the Ministry of New and Renewable Energy will implement pilot projects in the steel sector, for replacing fossil fuels and fossil fuel-based feedstock with green hydrogen and its derivatives. The scheme envisages steel plants to blend a small percentage of green hydrogen in their processes and increase the proportion progressively considering the higher cost of green hydrogen at present, with improvement in cost-economics and advancement of technology. The scheme will be implemented with a total budgetary outlay of Rs 455 crore until fiscal 2030.

Major policy timeline for steel manufacturing sector



FINANCIAL PROFILE: COMPARISON OF KEY FINANCIAL RATIOS

To compare the financial performance of Lloyds Metals and Energy Ltd (LMEL), industry peers have been divided into two sets:

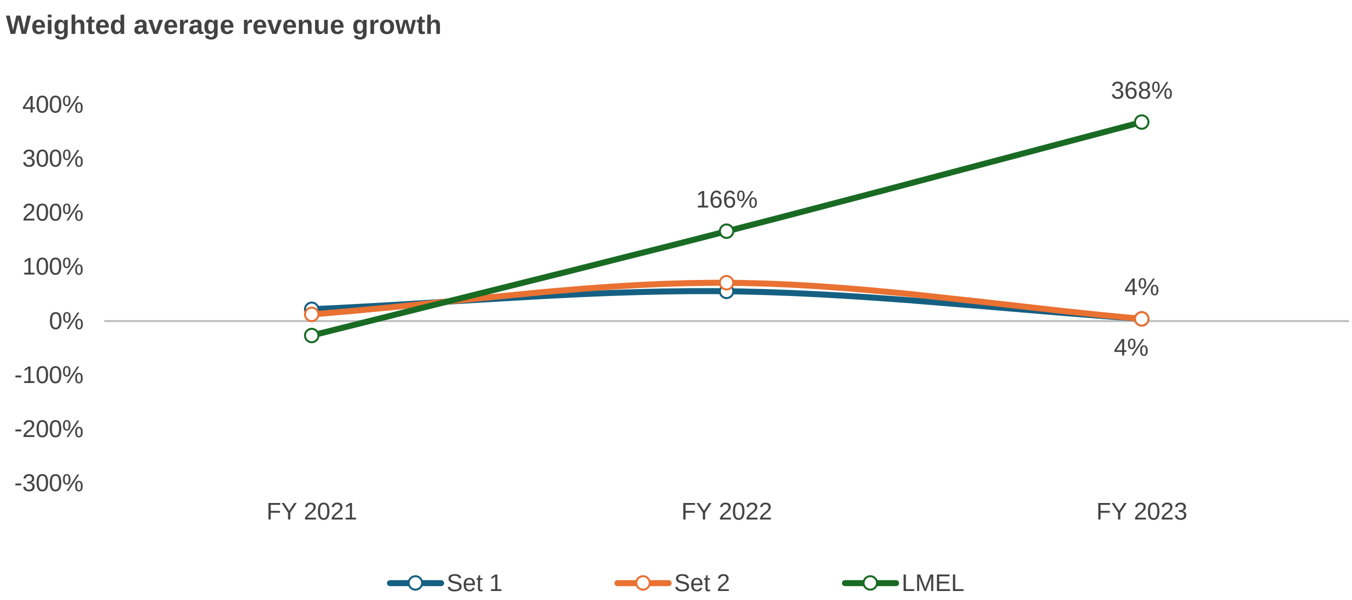
Set 1: Players with captive iron ore mines in India, which includes Godawari Power and Ispat Ltd (GPIL), Sarda Energy and Minerals Ltd (SEML), Rungta Mines Ltd (RML), National Mineral Development Corporation (NMDC) and Vedanta Group's iron ore business.

Set 2: Large integrated steel players with presence across the value chain includes JSW Steel Ltd, Tata Steel Ltd (TSL), Jindal Steel and Power Ltd (JSPL) and SAIL.

Please note that for revenue and margin growth, share of revenue in total set is used as weights. For other ratios and multiples summation of line item of each company (wherever data is available) is used.

LMEL's revenue growth vs. industry peers'

While fiscal 2022 was a volatile year for commodity prices, revenue realisation improved across the industry. Peers from sets 1 and 2 witnessed a jump in revenue. LMEL logged a sharper rise in revenue, owing to the commencement of mining operations from October 2021. Income from the sponge iron and power divisions increased ~84% and ~37%, respectively. Increase in revenue from the sale of iron ore mined in fiscals 2022 and 2023 led to a significant jump in revenue. The company sold 0.3 MT of iron ore in fiscal 2022 and 5.3 MT in fiscal 2023, leading to a huge spike in revenue growth. Iron ore production and sales figures were nil in fiscal 2021. Revenue from the sale of sponge iron and power also jumped by more than 50% in fiscal 2023. This led to a surge of 387% in revenue from operation at the consolidated level.
In fiscal 24, the growth story continued and revenue at consolidated level increased by ~92%, driven largely by iron ore segment, which increased by ~97%. Of the total revenue pie, iron ore sales had ~83% share. Revenue from sponge iron and power segment increased by 10.5% and 69.5%, respectively.

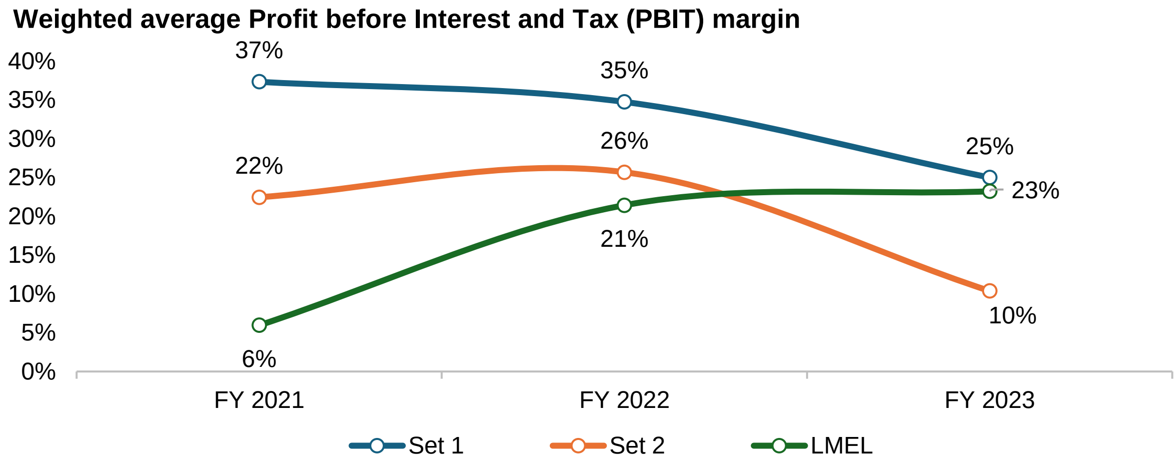


LMEL's operating profit margin vs. industry peers'

In fiscal 2022, the increase in raw material price was higher than that in steel intermediates and products, due to which margins of players (set 1) focused in the domestic market declined. Large players, however, were able to mitigate the impact of rising raw material cost with the support of long-term supply agreements and foreign assets. Simultaneously, steel exports from India, with better realisation prospects, increased significantly. This resulted in a slight improvement of margin for set 2 peers, with a healthy share of exports in the total steel sales. In fiscal 2023, imposition of duty by the government of India reduced prices of steel and raw material, returning margin to normal levels for set 1 peers. However, set 2 peers continued to face elevated cost pressure from volatile coking coal prices, leading to a significant drop in margins.

LMEL continues to improve sequentially with the commencement of iron ore mining and trading activity. Margins are expected to improve further as realisation kicks in forward expansion and integration initiatives.

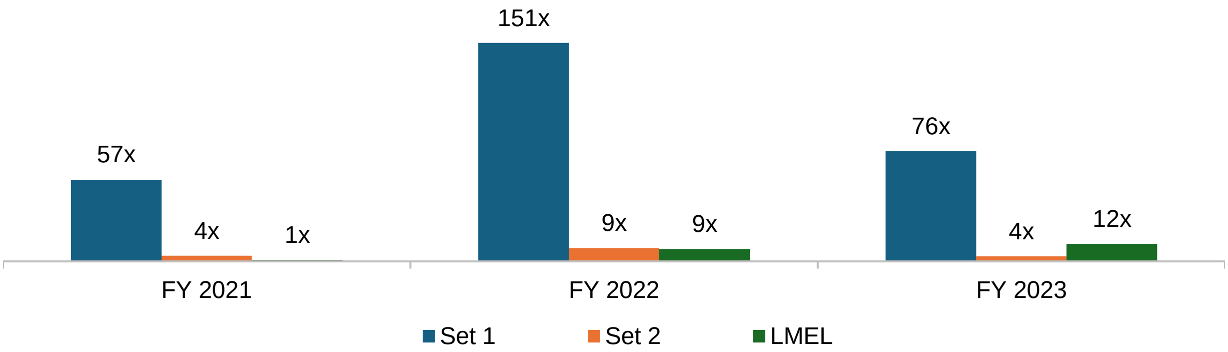
In fiscal 2024, margin for LMEL moved further up to 26.6%, supported by robust iron ore performance.



LMEL's interest service coverage ratio vs. industry peers':

Due to lower debt on the books, set 1 has a higher interest service coverage ratio (ISCR), compared with set 2. The volatility in fiscal 2022 supported better realization of export opportunities for all players in the industry, especially set 1. Players in LMEL and set 2 further paid significant portion of their debt, which decreased interest charges and improved ICR. For fiscal 2023, ICR declined due to falling margin as these companies raise debt to fuel their capacity expansion aspirations. While ICR declined for both the sets, it improved for LMEL, supported by significant improvement in margin from the sale of iron ore. Decline of ~91% in finance cost along with ~117% increase in earnings has helped LMEL to register +300x of ISCR in fiscal 2024.

Weighted average ISCR

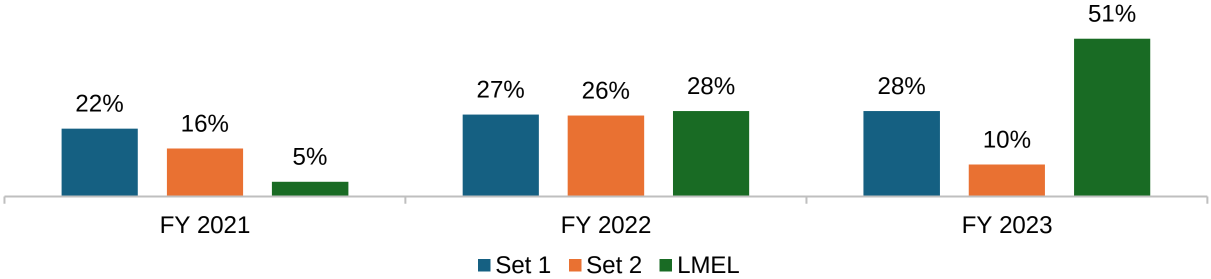


LMEL's return on capital employed vs. industry peers'

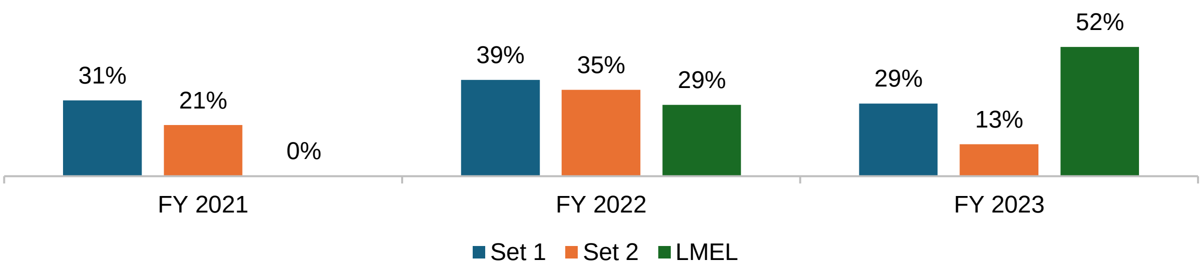
Most of the integrated steel mills in India have their own captive mines. Steel producers using sponge iron as raw material are mostly dependent on merchant miners in India. As India has more than 300 working sponge iron units and over 850 induction furnace-based small players dependent on merchant miners, the cost of acquiring iron ore is at a premium for such steel manufacturers with respect to captive consumption. Therefore, players with a larger share of iron ore sales in the portfolio have better margin than steel players. Additionally, capital expenditure required for setting up mining and evacuation infrastructure, and the cost of running the operation is lower than installing steel manufacturing unit. Hence, the return on capital employed (ROCE) for set 2 peers is lower than that for set 1. For LMEL, ROCE was exceptionally better in fiscal 2023 as the company paid all its debt on its books, while reaping benefits of better returns from the sale of iron ore.

Lower leverage supports the higher Adj. PBT by Tangible networth for set 1 players and has been historically higher than set 2 players. LMEL adjusted returns to shareholders improved significantly in fiscal 2023 with pickup of iron ore sales. With better sales and consistent elevated margin, ROCE for fiscal 24 is above 60%

Weighted average ROCE %



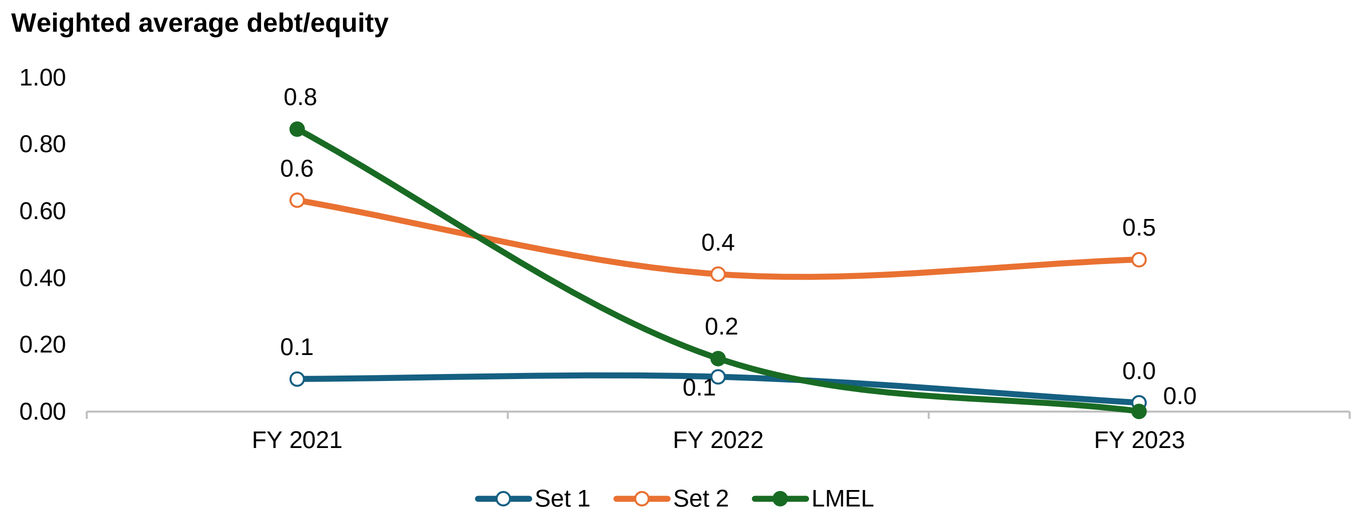
Weighted avg. Adj. PBT / Tangible networth



LMEL's debt-to-equity ratio vs. industry peers'

Since the capital expenditure needed for an integrated steel plant is higher than that required to establish a new mining operation, steel mills use both debt and equity as sources of funds. In fiscal 2022, by leveraging the optimal market scenario, mills as well as mines paid back their debt, thereby reducing the debt-to-equity ratio. The company paid off its outstanding debt in fiscal 2023 and hence its debt-to-equity ratio for fiscal 2023 was ~0.

By the end of fiscal 2024, debt on the company books continued to remain negligible keeping the leverage ratio ~0.



Below is a brief profile of the players considered in sets 1 and 2.

Snapshot of company financials used to calculate ratios (All figures in INR cr.):

Lloyds metals and energy limited (LMEL)

Lloyds Metals & Energy Ltd. (Lloyds) was incorporated in 1977 as a steel manufacturing company. In 1994 the company commissioned its 1st manufacturing unit, with an annual capacity of 150000 MT. Lloyds was awarded a lease for iron ore mines in 2007 at Surjagarh Village, Gadchiroli district, initially for a period of 20 years & extended to 50 years under MMDR Act, 2018. As on March 31, 2024, the Surjagarh Mining Complex has resources (proved and probable) of 157 million tonne of hematite ore and 706 million tonne of blended hematite quartz. LMEL is one of the largest iron ore miners in India, ranking among the top five merchant miners. As of fiscal 2024, LMEL is the only major iron ore miner in the state of Maharashtra.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	272.6	725.2	3,392.3
PBIT Margin	6%	21%	23%
Net Profit Margin	0%	13%	-9%
PBIT	16.2	155.3	787.3
Net profit	0.1	97.3	(288.5)
Interest and Finance cost	16.8	18.1	65.0
Interest coverage ratio	1.0x	8.6x	12.1x
ROE	0%	20%	-19%
ROCE	5%	28%	51%
Debt	154.1	76.5	1.6
Equity	182.1	481.0	1,528.9
D/E	0.8x	0.2x	0.0x

Set 1 players:

Godawari Power and Ispat Ltd (GPIL):

GPIL was established as Ispat Godawari Ltd in 1999 and was renamed to Godawari Power and Ispat Limited in 2001. The company has two captive iron ore mines (3.05 Mtpa), pellet plant (2.7 Mtpa) and vertically integrated steel plant in Raipur. The steel plant manufactures sponge iron, billets, MS rounds, HB wires, ferro alloys and prefab structures.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	3,640.6	5,073.1	5,322.5
PBIT Margin	26%	33%	19%
Net Profit Margin	17%	27%	15%
PBIT	947.5	1,677.8	1,033.5
Net profit	625.8	1,350.6	798.2
Interest and Finance cost	110.0	17.4	15.2
Interest coverage ratio	8.6x	96.7x	68.0x
ROE	37%	45%	22%
ROCE	42%	49%	27%
Debt	534.1	432.2	143.0
Equity	1,713.2	3,011.2	3,689.6
D/E	0.3x	0.1x	0.0x

Sarda Energy and Minerals Ltd (SEML):

SEML, incorporated in 1973, is the flagship company of the Sarda group. It is a vertically integrated producer of steel with captive iron ore and commercial coal mines. It also manufactures and exports niche-grade manganese-based ferro alloys, with self-sufficient captive power from waste heat and coal.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	1,595.0	2,642.0	3,020.5
PBIT Margin	20%	31%	26%
Net Profit Margin	19%	25%	21%
PBIT	323.8	824.1	775.5
Net profit	296.5	659.8	638.4
Interest and Finance cost	34.5	22.4	16.0
Interest coverage ratio	9.4x	36.8x	48.6x
ROE	15%	25%	21%
ROCE	14%	29%	24%
Debt	311.3	266.6	191.4
Equity	2,008.2	2,603.5	3,065.0
D/E	0.2x	0.1x	0.1x

Rungta Mines Ltd (RML):

RML, incorporated in 1962, manufactures pellets (3.0 Mtpa), sponge iron (1.830 Mtpa), billets (1.708 Mpta), TMT bars (1.01 Mtpa) and ferro alloys (43,200 Tpa) at its five plant locations in Odisha (four) and Jharkhand (one). It also has captive power plants of 199MW. Its registered office is in Kolkata, West Bengal.

In October 2021, RML won three virgin iron ore mines in Odisha, which are likely to be operational from October 2024.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	5,235.0	5,668.0	9,552.0
PBIT Margin	16%	8%	3%
Net Profit Margin	16%	6%	1%
PBIT	816.7	447.8	305.7
Net profit	853.3	311.7	76.4

Interest and Finance cost	14.2	25.7	23.0
Interest coverage ratio	57.4x	17.4x	13.3x
ROE	6%	2%	1%
ROCE	6%	3%	2%
Debt	444.0	1,407.0	1,041.0
Equity	13,326.0	13,623.0	13,697.0
D/E	0.0x	0.1x	0.1x

National Mineral Development Corporation (NMDC):

NMDC, incorporated in 1958, is a Navaratna PSE, primarily involved in iron ore mining. It is under the administrative control of the Ministry of Steel, GoI. It has seven operational iron ore mining leases: five in Chhattisgarh and two in Karnataka.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	15,129.3	25,881.7	17,666.9
PBIT Margin	57%	48%	32%
Net Profit Margin	41%	36%	31%
PBIT	8,569.1	12,305.1	5,728.5
Net profit	6,253.1	9,398.5	5,528.6
Interest and Finance cost	39.4	39.1	75.2
Interest coverage ratio	217.3x	315.0x	76.1x
ROE	21%	27%	25%
ROCE	26%	32%	26%
Debt	3,241.1	3,484.8	422.2
Equity	29,263.6	34,395.1	21,697.5
D/E	0.1x	0.1x	0.0x

Vedanta – Iron Ore business:

The iron ore business of Vedanta India Ltd has 13 Mtpa mines spread across Karnataka and Goa. The division also has pig iron and steel capacity of 1 Mtpa and 1.7 Mtpa, respectively.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	4,528.0	6,350.0	6,503.0
PBIT Margin	13%	9%	9%
PBIT	584.0	584.0	584.0

Set 2 players:

JSW Steel:

JSW Steel is the largest steel producers in India and has steelmaking capacity of 28.5 Mtpa in India. It also has steel mill in US (including capacities under joint control). In India, its integrated steel manufacturing units are located in Vijayanagar Works, Karnataka (12 Mtpa), Dolvi Works, Maharashtra (10 Mtpa), Salem Works, Tamil Nadu (1 Mtpa), BPSL plant in Jharsuguda, Odisha (3.5 Mtpa), and JSW Ispat Special Products Limited (1.2 Mtpa) to produce a wide range of flat and long steel products.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	70,665.0	118,734.0	131,643.0
PBIT Margin	22%	23%	8%
Net Profit Margin	12%	14%	4%

PBIT	15,744.0	26,906.0	10,452.0
Net profit	8,393.0	16,702.0	4,937.0
Interest and Finance cost	4,511.0	4,381.0	5,221.0
Interest coverage ratio	3.5x	6.1x	2.0x
ROE	19%	27%	8%
ROCE	17%	24%	9%
Debt	47,755.0	50,435.0	55,171.0
Equity	45,235.0	61,482.0	61,623.0
D/E	1.1x	0.8x	0.9x

Tata Steel Ltd (TSL):

TSL is India's first integrated steel company, founded in 1907. The company has 35 Mtpa of capacity globally, of which 21.6 Mtpa is in India. With major production capacities in Jamshedpur, Kalinganagar, and Meramandali, it produces a wide range of flat and long products for various end use industries.

Tata Steel Limited	FY 2021	FY 2022	FY 2023
Operating Income	64,903.6	129,052.5	129,014.8
PBIT Margin	27%	35%	17%
Net Profit Margin	21%	26%	12%
PBIT	17,812.6	45,697.3	22,269.4
Net profit	13,605.3	33,010.1	15,495.0
Interest and Finance cost	3,289.4	2,923.2	3,799.5
Interest coverage ratio	5.4x	15.6x	5.9x
ROE	15%	27%	12%
ROCE	15%	29%	13%
Debt	28,348.3	32,275.5	38,179.0
Equity	90,019.0	124,245.1	133,518.7
D/E	0.3x	0.3x	0.3x

Jindal Steel and Power Ltd (JSPL):

JSPL is part of OP Jindal group and has 9.6 Mtpa crude steel making capacity. The company's key business activities include manufacturing pellets, sponge iron, hot metal, finished steel products, power generation, iron ore and coal mining. The company has assets spread across Raigarh, Raipur, Angul and Patratu, along with coking coal assets in Mozambique.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	33,277.4	49,384.9	51,680.4
PBIT Margin	33%	26%	14%
Net Profit Margin	21%	17%	5%
PBIT	10,816.7	12,803.1	7,371.8
Net profit	7,154.3	8,283.4	2,426.8
Interest and Finance cost	2,390.0	1,765.8	1,285.8
Interest coverage ratio	4.5x	7.3x	5.7x
ROE	22%	21%	6%
ROCE	21%	24%	14%
Debt	18,363.8	13,325.8	11,114.3
Equity	32,538.6	39,950.1	39,956.7

D/E	0.6x	0.3x	0.3x

Steel Authority of India Ltd (SAIL):

SAIL was promoted by the Government of India to bring steel manufacturing companies under one umbrella and is amongst the largest steel producers in India. It operates 5 major steel manufacturing units spread across Chhattisgarh, Jharkhand, Orissa and West Bengal. The company also has special steel plants in India. The company's cumulative steel capacity is ~20.6 Mtpa.

Key financials	FY 2021	FY 2022	FY 2023
Operating Income	69,230.3	103,614.9	104,540.1
PBIT Margin	13%	17%	3%
Net Profit Margin	6%	12%	2%
PBIT	9,073.3	17,469.9	3,154.3
Net profit	3,850.0	12,015.0	1,903.1
Interest and Finance cost	3,366.3	1,891.4	2,037.5
Interest coverage ratio	2.7x	9.2x	1.5x
ROE	9%	24%	4%
ROCE	11%	26%	4%
Debt	38,394.7	17,675.3	25,661.8
Equity	42,065.6	50,557.8	50,618.2
D/E	0.9x	0.3x	0.5x

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" beginning on page 17 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 42, 250 and 83, respectively, 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 Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Lloyds Metals and Energy Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Lloyds Metals and Energy Limited and its Subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Assessment and outlook on India's iron and steel industry" dated June 2024 (the "**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited.*

Overview

We are one of the largest iron ore miner by volume in India (*Source: CRISIL Report*) with a permitted extraction capacity of 10 million tonne per annum ("**MTPA**"), as of March 31, 2024. We are also one of the top five merchant miner in India (*Source: CRISIL Report*). Our Company has been granted the iron ore mining rights over an area of 348.09 Ha. at Surjagarh Village, Maharashtra ("**Surjagarh Mining Complex**"), with a lease period of 50 years which is valid till 2057. As on March 31, 2024, the Surjagarh Mining Complex has resources (proved and probable) of 157 million tonne of hematite ore and 706 million tonne of banded hematite quartz (*Source: CRISIL Report*). Our iron ore reserves are processed in both lump ore and fine ore.

The Surjagarh Mining Complex was allocated to us by the Government of Maharashtra through a mining lease in the year 2007. Being an allocated mine, our Company is not required to pay any additional premium to the Government of Maharashtra during the period of the lease. Further, the mine is strategically located at the centre of India, which provides us access to several steel plants in India, enabling us to efficiently cater to client needs nationwide.

We also manufacture sponge iron, catering to the metallic requirements of steel producers in select geographies in India through our two sponge iron manufacturing plants located at Ghugus, Maharashtra and Konsari, Maharashtra. At our sponge iron manufacturing facilities, we operate seven rotary kilns having an aggregate annual installed capacity of 0.34 MTPA as of March 31, 2024. The strategic location of our sponge iron manufacturing facility and proximity to our Surjagarh Mining Complex aids our access to quality iron ore, which is one of the primary raw materials for sponge iron manufacturing. We believe our continued focus on enhancing productivity, resource optimization, and yield maximization have enabled us to achieve high levels of capacity utilization in the sponge iron manufacturing business. Accordingly, the aggregate sponge iron capacity utilization at our sponge iron manufacturing facilities for Fiscals 2022, 2023 and 2024 was 43.34%, 75.62% and 85.90%, respectively. Our Company has also entered into arrangements for trading of iron pellets.

To support the power requirements of our sponge iron manufacturing facilities, we have set-up two captive power plants with a combined capacity of 34 MW, as of March 31, 2024, that generate power utilizing the waste heat emanating from our kilns during the sponge iron manufacturing process as well as coal waste generated. Our captive power plants can operate on dual fuels, enabling us to utilise 'green' fuels such as, waste, rejects, heat and gas generated from our operations to produce electricity thereby lowing our power costs. This source of 'green' power through waste heat recovery boilers ("**WHRBs**") enables us to reduce our dependence on thermal power generated through additional fossil fuel, which helps control our carbon emissions. In Fiscals 2022, 2023 and 2024, power units produced from our captive power plants accounted for 58.03%, 69.93% and 77.71%, respectively, of our total power units consumed. Any surplus power generated from our plants, is sold by us, serving an additional source of revenue.

Set forth below are our revenue from operations from each of our product segments for Fiscals 2024, 2023 and 2022:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	(₹ in crore)		
Sponge Iron	827.48	748.99	445.41
Mining	5,283.19	2,651.10	237.97
Power	117.82	66.68	43.87
Trading of Pellet	346.08	-	-
Total	**6,574.57**	**3,466.77**	**727.25**

We are also in the process of: (i) augmenting our mining extraction capacity to 55 MTPA (including banded hematite quartz) from 10 MTPA, as of March 31, 2024; (ii) increasing the capacities of our existing sponge iron manufacturing plant at Ghugus, Maharashtra to 0.70 MTPA from 0.34 MTPA, as of March 31, 2024; and (iii) increasing the capacities of our captive power plants to 504 MW from 34 MW as of March 31, 2024 pursuant to the expansion of the sponge iron manufacturing plant at Ghugus, Maharashtra; (iv) setting-up a pellet plant and a grinding and pumping unit at our Konsari Manufacturing Plant; (v) laying down a 85 km long slurry pipeline from Hedri, Maharashtra to Konsari, Maharashtra and 190 km long slurry pipeline from Hedri, Maharashtra to Ghugus, Maharashtra; (vi) setting up an 1.2 MTPA wire rod unit at Ghugus, Maharashtra; (vii) setting up an integrated 3 MTPA steel plant at Konsari, Maharashtra; and (viii) setting up a beneficiation plant of 45 MTPA Hedri, Maharashtra. Our expansion activities will provide us forward integration to become a steel manufacturer in the upcoming years, as well increase our operational efficiencies and enhance our capabilities, which we believe will position us as a complete player in the steel industry. For details, see "*Use of Proceeds*" beginning on page 70. Further, certain of our expansion projects have been conferred the status of "Ultra Mega Projects" by the Government of Maharashtra pursuant to which we have been offered certain exemptions on electricity duty, stamp duty, royalty refund on use of actual minerals extracted from our mine and other subsidies, subject to us fulfilling certain conditions including the minimum investment conditions of ₹ 4,000 crore.

The commencement of our mining operations in October 2021 has led to a rise in our revenue from operations. Our ROCE was exceptionally better in Fiscal 2023 as compared to Fiscal 2022 as we paid all our debt on our books, while reaping benefits of better returns from the sale of iron ore (*Source: CRISIL Report*).The following table sets forth certain financial information of our Company, for the years indicated, on a consolidated basis:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Revenue from Operations	6,574.59	3,466.76	727.25
Y-o-Y growth	89.65%	376.69%	166.09%
Profit for the year	1,242.93	(288.55)	97.37
PAT Margin (%) [(1)]	18.75%	25.58%	19.64%
EBITDA [(2)]	1,781.21	884.75	175.28
EBITDA Margin (%) [(3)]	27.09%	25.52%	24.10%

Particulars	Fiscal		
	2024	2023	2022
	(₹ crore, unless otherwise stated)		
Gross Debt to Equity Ratio (in times)	0.00	0.00	0.21
ROCE (%) [4]	59.79%	55.47%	22.30%

Note:

[1] *PAT Margin is the percentage of profit for the year divided by revenue from operations.*

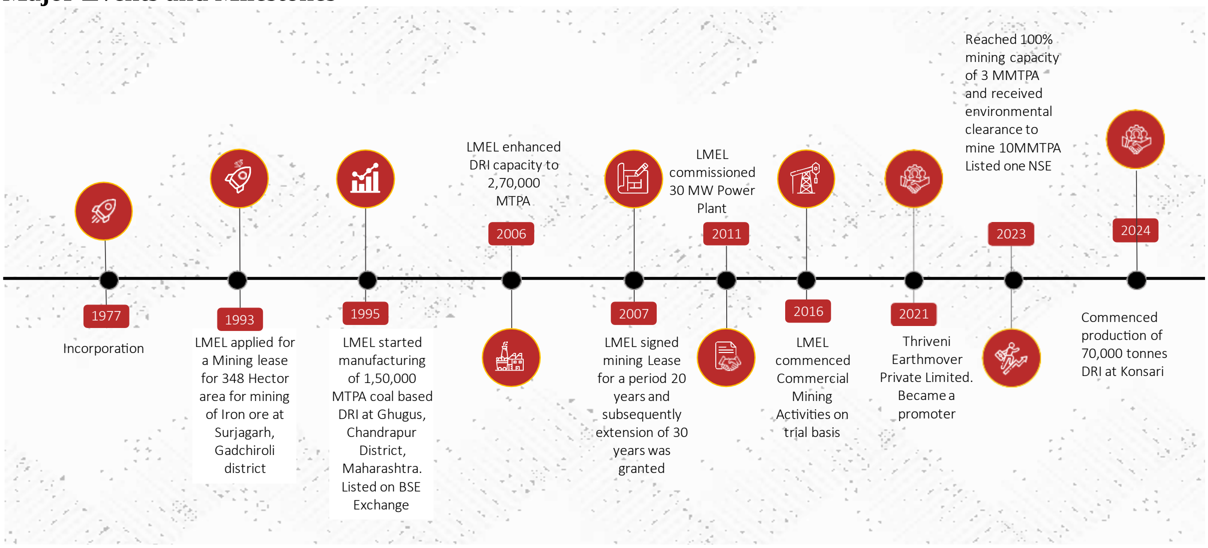
[2] *EBITDA is calculated by adding profit for the year, other income (net), depreciation and amortisation, total tax expense and exceptional items;*

[3] *EBITDA Margin is the percentage of EBITDA divided by revenue from operations;*

[4] *Return on Capital Employed has been calculated as earning before interest and taxes divided by capital employed.*

We are led by our Promoters, Mukesh Rajnarayan Gupta, Babulal Agarwal, Rajesh Rajnarayan Gupta and Balasubramanian Prabhakaran, who have several decades of experience in the mining and steel industry and have been instrumental in the growth of our Company. Further, Thriveni Earthmovers Private Limited, one of our corporate promoter, is a diversified miner with operations and projects executed across geographies. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the mining and steel industry. As of March 31, 2024, we had a workforce of 2,692 personnel which comprised 1,402 employees, 369 permanent workers and 921 contract workers for our operations.

Major Events and Milestones



Competitive Strengths

One of the largest producers of iron ore in India well positioned to capture the industry tailwinds

We had re-commenced our mining operations at the Surjagarh Mining Complex in October 2021 and within a short span of less than three years, we have been able to significantly enhance our iron ore mining extraction capacity from 3 MTPA in Fiscal 2022 to 10 MTPA in Fiscal 2024. The significant growth in our mining capacity has enabled us to become one of the largest iron ore miner in India (*Source: CRISIL Report*). We are also one of the top five merchant miner in India (*Source: CRISIL Report*) and the only major iron ore miner in the state of Maharashtra (*Source: CRISIL Report*).

Our revenue from operations have substantially increased since Fiscal 2022, when we had restarted the process of extraction of iron ore from the Surjagarh Mining Complex after the induction of Thriveni Earthmovers Private Limited as the mine developer and operator and co-promoter of our Company. Set forth below are the details of the contribution of our mining operations to our overall revenue for Fiscals 2024, 2023 and 2022:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ in crore)		
Mining Operations	5,283.19	2,651.10	237.97
Revenue from Operations	6,574.57	3,466.77	727.25

By 2030-31, it is projected that India will require a crude steel capacity of 300 million tonne, necessitating ~437 million tonne of iron ore (*Source: CRISIL Report*). Further, around 110 MTPA of mining leases are estimated to expire between 2024 and 2030.

Year wise expiry of iron ore mining leases in India

Year	Number of Mines	Estimated total production capacity (MTPA)
2024	1	3
2025	6	25
2026	6	5
2027	3	2
2029	2	17
2030	8	59

Source: Ministry of Mines and CRISIL MI&A Research

With our iron ore extraction capacity of 10 MTPA as of March 31, 2024, which we propose to enhance to 55 MTPA, in the coming years and a lease validity up to the year 2057, we believe we are well positioned to capture the growing demand for iron ore and continue our leadership position in the iron ore production industry.

Low cost iron ore producer

We were granted the mining rights to the Surjagarh Mining Complex on allocation basis by the Government of Maharashtra through a mining lease in the year 2007 which significantly reduces our operating costs as compared to mines which have been auctioned by the Government. The auction premium paid under the Mines and Minerals (Development and Regulation) Act, 2015, mine auction system is a key component of the auction process for mines (*Source CRISIL Report).* When mineral blocks, including iron ore mines, are put up for auction by the government, bidders are required to pay an amount known as the auction premium, in addition to the royalty for the mined mineral along with other statutory payments (*Source: CRISIL Report*). Set out below are the details of the average premium for auctioned leases in the years indicated:

FY	Average auction premium (% of Indian Bureue of Mines notified prices)
2016	86.14
2017	93.62
2018	98.98
2019	85.92
2020	115.15
2021	116.58
2022	105.29
2023	130.86

(*Source: CRISIL Report*)

The mines auctioned after Fiscal 2015, pursuant to the amendment of the Mines and Minerals (Development and Regulation) Act, 2015, witnessed bids at premiums, rendering merchant mining economically challenging in the domestic market *(Source: CRISIL Report)*

We are not required to pay any additional premium to the Government over the lifetime of the mine for operations, which we believe has resulted in us having a low duty structure, which in turn has led to us achieving better profitability as compared to our peers who have procured their mines by way of auction. The table below sets out the various payments components setting out the cost difference of auctioned mines as compared to allocated mines.

Indicative payment of royalty, DMF, NMET, Auction Premium by iron ore miners

	Average for mines auctioned in the last 5 years		For NMDC's iron ore mines (in Chhattisgarh)		For mines allocated before MMDR Amendment Act 2015	
A	IBM notified price for 62%-65% Fe fines (March 2024)	5,180	IBM notified price for 62%-65% Fe fines (March 2024)	5,180	IBM notified price for 62%-65% Fe fines (March 2024)	5,180
B	Royalty @15%	777	Royalty @15%	777	Royalty @15%	777
C	DMF @10% of royalty	78	DMF @30% of royalty	233	DMF @30% of royalty	233
D	NMET Fund @2% of royalty	16	NMET Fund @2% of royalty	16	NMET Fund @2% of royalty	16
E	Auction Premium (avg. premium of last 5 years considered) @ 110.8%	5,737	Additional royalty @ 22.5%	1,166	Premium @ 0%	-
F	**Total (B+C+D+E)**	**6,610**	**Total (B+C+D+E)**	**2,191**	**Total (B+C+D+E)**	**1,026**

Source: IBM, Ministry of Mines, CRISIL MI&A Research

Note:

1. *All values are in Rs/tonne.*
2. *The average auction premium is considered for the table above; however, miners must pay the auction premium based on the specific bid rate they offered for each individual mine.*

Further, we are also in the process of setting up an 85 km long slurry pipeline from Hedri, Maharashtra to our sponge iron manufacturing plant at Konsari, Maharashtra. The slurry pipeline will carry the iron ore extracted at our Surjagarh Mining Plant to our Konsari Manufacturing Plant. This will lead to a significant reduction in our transport, logistics and operational cost, thereby providing us further cost advantages.

We have also achieved cost efficiencies by utilising waste materials or by-products as raw material inputs for other products and processes. For instance, waste from our sponge iron manufacturing plants is utilised by our captive power plants to produce power. In Fiscals 2022, 2023 and 2024, the Average cost of Power from Captive Power Plants was ₹ 2.34 per kwh, ₹ 2.98 per kwh and ₹ 2.35 per kwh, respectively, which we believe is relatively lesser than the power procured by us from external sources. In Fiscals 2022, 2023 and 2024, power units produced from our captive power plants accounted for 20.87%, 22.37% and 19.24 %, respectively, of our total power units consumed. We sell the surplus power generated from our plants, which serves as an additional source of revenue. In addition, we believe our relatively high capacity utilization has led to lower fixed cost per tonne resulting in an increase in our profitability.

Long term access to substantial reserves of iron ore

We have been granted the mining rights for the Surjagarh Mining Complex for a period of 50 years, which is valid up to the year 2057. The Surjagarh Mining Complex has substantial reserves of iron ore. As on March 31, 2024, the Surjagarh Mining Complex has resources (proved and probable) of 157 million tonne of hematite ore and 706 million tonne of banded hematite quartz (*Source: CRISIL Report*). Our iron ore reserves are processed in both lump ore and fine ore.

We also plan to set up a beneficiation plant at Hedri, Maharashtra, which will enable us to produce iron ore fines concentrate. Beneficiation of iron ore refers to the process of removing impurities and improving the quality of the ore through various techniques. Iron ore beneficiation is essential for maximizing the value of the ore by increasing its iron content and reducing the presence of impurities such as silica, alumina, phosphorus, and sulfur (*Source: CRISIL Report*). Accordingly, we believe that our iron ore quality will improve significantly once our proposed beneficiation plant is operational.

The access to iron ore also allows us to integrate our operations with our sponge iron manufacturing plant and acts as the primary raw material for our sponge iron manufacturing plants, enabling us to efficiently backward integrate our operations through coal linkages, captive iron ore mines, and captive power generation, resulting in cost efficiency. The following table provides certain information in relation to the revenue obtained from each of our products for the periods indicated, on a consolidated basis:

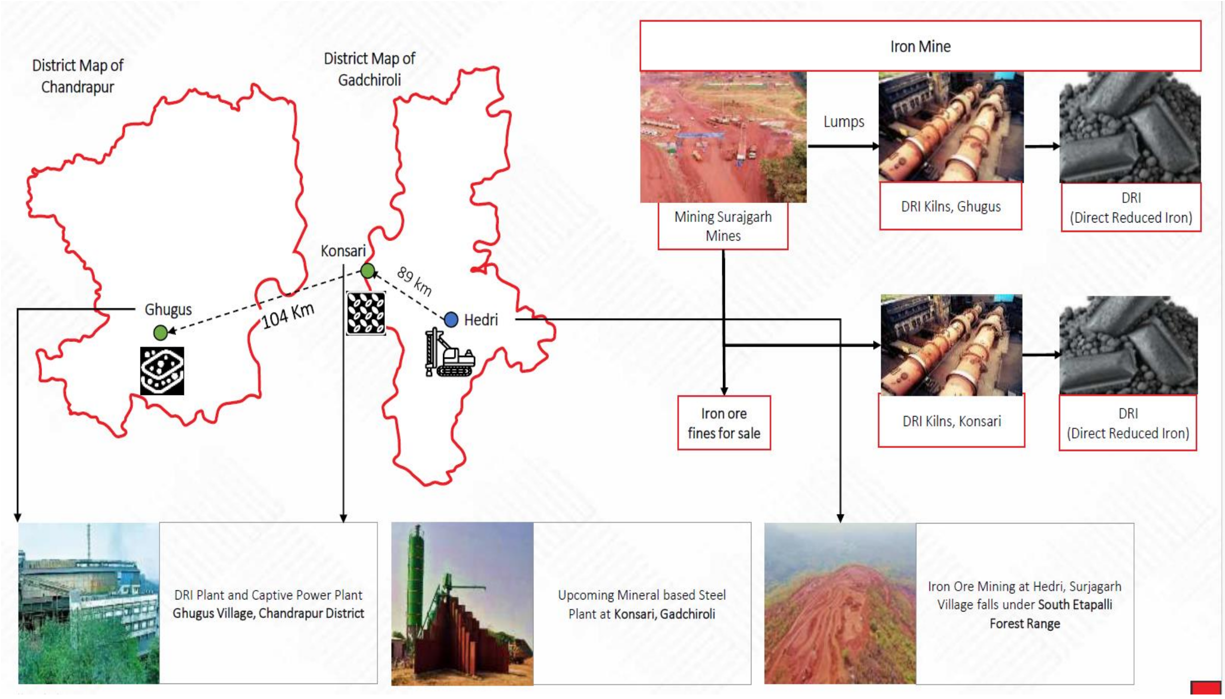
Product	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products
	(in ₹ crore)	(%)	(in ₹ crore)	(%)	(in ₹ crore)	(%)
Iron Ore	5,283.19	80.36%	2,651.10	76.47%	237.97	32.72%
Sponge Iron	827.48	12.59%	748.99	21.60%	445.41	61.25%
Sale of Power	117.82	1.79%	66.68	1.92%	43.87	6.03%
Iron pellets	346.08	5.26%	-	-	-	-
Total	**6,574.57**	**100%**	**3,466.77**	**100%**	**727.26**	**100%**

Strategically located mining operations and sponge iron manufacturing plants supported by robust infrastructure and low cost captive power generation resulting in cost and time efficiencies

We are currently the only company in Maharashtra engaged in mining of iron ore (*Source: CRISIL Report*). Our Surjagarh Mining Complex is strategically located at the centre of India, which provides us access to several of the steel plants in India, enabling us to efficiently cater to client needs nationwide. We employ a versatile transportation strategy, utilizing a combination of roadways, seaways and railways to serve various regions. This multi-modal approach ensures flexibility and reliability in delivering iron ore to steel plants, regardless of their location. By leveraging this strategic positioning and diverse transportation network, we have been able to maintain a strong foothold in the market and uphold our commitment to meeting customer demands promptly and efficiently. Our ability to service clients across India effectively enhances the company's competitive edge and making us one of the leading producers of iron ore in India (*Source: CRISIL Report*). In Fiscal 2023, we started supply of iron ore to geographies outside the state of Maharashtra as well as increased our focus on exports.

Our sponge iron manufacturing facilities are strategically located in close proximity to the Surjagarh Mining Complex, proving us easy access to the raw material sources, which we believe lowers our transportation costs and provides significant logistics benefits thereby improving our operating margins. We believe the strategic location of our mine as well as our manufacturing plants has helped us in creating synergies as well as achieving economies of scale and operational efficiencies.

Set out below are the details of our mining operations and manufacturing plants and their location:



Further, our mining operations and manufacturing plants are connected by roads, railways and ports.

Strong financial performance with a debt-free balance sheet

We believe our focus on continuous efficiency improvements, improved productivity and cost rationalization has enabled us to deliver consistent and strong financial and operational performance. The commencement of our mining operations in October 2021 has also led to a sharp rise in our revenue, as compared to our peers.

Our ROCE was exceptionally better in Fiscal 2023 as compared to Fiscal 2022 as we paid all our debt on our books, while reaping benefits of better returns from the sale of iron ore (*Source: CRISIL Report*). The following table sets forth certain financial information of our Company, for the years indicated, on a consolidated basis:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ crore, unless otherwise stated)		
Revenue from Operations	6,574.59	3,466.76	727.25
Y-o-Y growth	89.65%	376.69%	166.09%
Profit for the year	1,242.93	(288.55)	97.37
PAT Margin(%)[(1)]	18.75%	25.58%	19.64%
EBITDA [(2)]	1,781.21	884.75	175.28
EBITDA Margin (%) [(3)]	27.09%	25.52%	24.10%
Gross Debt to Equity Ratio (in times)	0.00	0.00	0.21
ROCE (%) [(4)]	59.79%	55.47%	22.30%

Note:

[(1)] *PAT Margin is the percentage of profit for the year divided by revenue from operations.*

[(2)] *EBITDA is calculated by adding profit for the year, other income (net), depreciation and amortisation, total tax expense and exceptional items;*

[(3)] *EBITDA Margin is the percentage of EBITDA divided by revenue from operations;*

[(4)] *Return on Capital Employed has been calculated as earning before interest and taxes divided by capital employed.*

Experienced Promoters, Board and senior management team

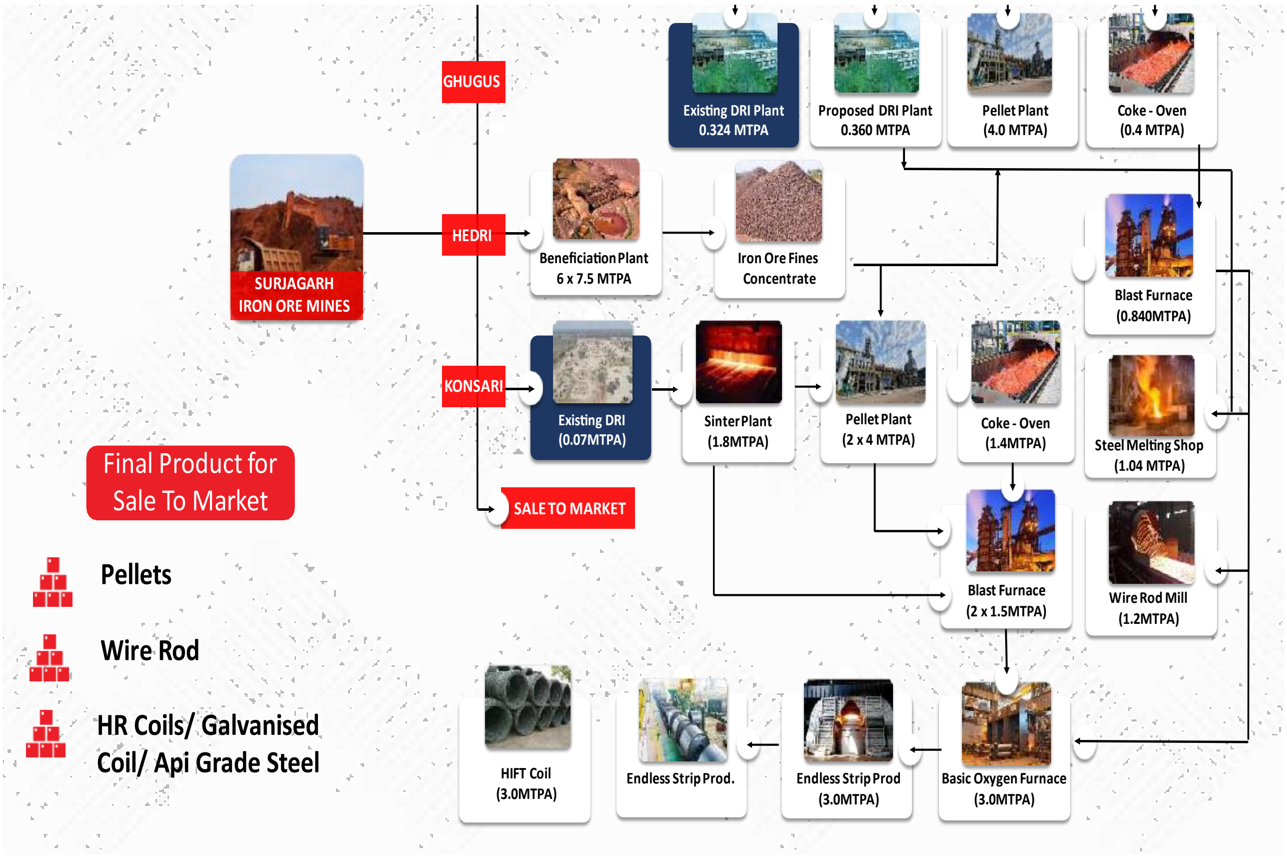
We are led by our individual Promoters, Mukesh Rajnarayan Gupta, Babulal Agarwal, Rajesh Rajnarayan Gupta and Balasubramanian Prabhakaran, who have several decades of experience in the steel and mining industry, and have been instrumental in the growth of our Company. We also have an experienced Board of Directors who have extensive knowledge of the iron ore mining and steel industry and we believe have the expertise and vision to scale up our business. Our above mentioned Promoters are responsible for strategic planning and overall administration of our Company and also for implementing our future growth strategies. For further, details, please see the section "*Board of Directors and Senior Management*" on page 185. Further, we are also able to leverage the expertise of our co-promoter, TEMPL, who have decades of experience in the mining industry. We have been able to significantly scale-up our mining operations since their induction in our Company in Fiscal 2022.

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

Our Strategies

Integrate our operations across the steel value chain by introducing new products

We currently operate two sponge iron manufacturing facilities located at Ghugus, Maharashtra and Konsari, Maharashtra and our mining operations are based out of Surjagarh Mining Complex. In the coming years, we aim to fully integrate our operations at our manufacturing plants with the Surjagarh Mining Complex. The backward integration activities will include setting up of beneficiation plant at Hedri, Maharashtra, wherein we will be able to produce iron ore fines concentrate. We further propose to set up two additional pellet plants at Konsari, Maharashtra and Ghugus, Maharashtra. While, we presently utilise the iron ore mined for our sponge iron manufacturing process, we plan to further utilise the sponge iron produced to also manufacture iron ore pellets and wire rods, thereby resulting in cost efficiencies. Forward integration activities will include, diversification of our product mix by utilising the upcoming pellet plants to produce value added products, such as, pellets, hot-rolled coils, galvanised coils and wire rods. We intend to further integrate our operations by using the existing waste and by-products from our operations to introduce new and high margin products. In order to market our new products, we intend to leverage our existing distribution network. Introduction of new products will result in further diversification of products lines, augmentation of profits and further de-risking of our revenue streams.
The following flowchart illustrates our proposed integrated operations, which will give us control over all aspects of our operations (except for the sourcing of primary raw materials) and operating margins. This integration enables us to focus more on quality and create multiple points of sale across the steel value chain.



In addition, we believe that integration of our operations will provide us with the flexibility to alter our product mix to cater to the continuously evolving market conditions, insulating us from price volatility and optimised our operating margins. For instance, we will have the ability to convert the iron pellets manufactured into sponge iron or sell the iron pellets or sponge iron independently in the market. Sponge iron will be processed to manufacture wire rod, or can be sold independently in the market. The integrated nature of our operations will also enable us to maintain greater control over our operating margins.

We believe our continuous backward and forward integration activities and capacity expansions will also enable us to have a better negotiating capacity with our existing suppliers and lowered the cost of our expansions.

Continue to increase our existing mining and manufacturing capacities and undertake capacity expansion through inorganic route to capture the growing demand

We intend to strengthen our leading market position in India and achieve better economies of scale by expanding our existing iron ore mining capacity as well as our sponge iron manufacturing capacities. Our board has approved the expansion of our mining capacity to 55 MTPA (including banded hematite quartz) from the existing 10 MTPA, as of March 31, 2024. We are presently in the process of applying for the permits required to expand our mining operations. We are also in the process of expanding our sponge iron production capacity at our Ghugus Manufacturing Plant.

As part of our growth strategy, we intend to continue to invest in creation of additional capacities, both for our existing products as well as for creation of new products. Towards this end, we intend to utilise an amount of ₹ 916.13 crores from the Net Proceeds towards setting up a 4.00 MTPA pellet plant at our Konsari Manufacturing Plant primarily for the production of blast furnace and DRI grade pellets. The iron ore pellets produced may be sold by us as well as utilised by our existing sponge iron manufacturing plants. For more information, see "*Use of Proceeds – Details of the Objects*" on page 70.

The following table provides certain information in relation to the existing installed capacity and the proposed expansion plans we intend to undertake to at our manufacturing plants:

Particulars	Unit of measure ment	Category	Ghugus Manufacturing Plant*		Konsari Manufacturing Plant*		Surjagarh Mining Complex *		Total*		
			Existing installed capacity (as of March 31, 2024)	Proposed capacity expansion	Existing installed capacity (as of March 31, 2024)	Proposed capacity expansion	Existing installed capacity (as of March 31, 2024)	Proposed capacity expansion	Existing installed capacity (as of March 31, 2024)	Proposed capacity expansion	Proposed Grand Total
Beneficiation Plant	TPA	Iron Ore	-	-	-	-	-	4,50,00,000	-	4,50,00,000	4,50,00,000
Captive power plant	MW	Power Plant	30	125	4	346	-	-	34	470	504
Iron pellet plant	TPA	Steel	-	40,00,000	-	80,00,000	-	-	-	1,20,00,000	1,20,00,000
Sponge iron plant(1)	TPA	Steel	270,000	360,000	70,000	-	-	-	340,000	360,000	700,000
Slurry Pipeline	Kms	Slurry Pipeline	-	190	-	85	-	-	-	275	275
Wire rods	TPA	Steel	-	12,00,000	-	-	-	-	-	12,00,000	12,00,000
Blast furnace	TPA	Steel	-	840,000	-	-	-	-	-	840,000	8,40,000
Coke Oven Plant	TPA	Steel	-	350,000	-	-	-	-	-	350,000	350,000
Integrated Steel with allied facilities	TPA	Steel	-	30,00,000	-	-	-	-	-	30,00,000	30,00,000

Product	Unit	As of and for the financial year ended March 31,					
		2022		2023		2024	
		Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)
Sponge Iron	TPA	270,000	43.34%	270,000	75.62%	340,000	85.90%
Power Plant	TPA	30	58.03%	30	69.92%	34	77.71%
Iron Ore mining	TPA	30,00,000	91.99%	35,83,333	100.00%	1,00,00,000	100.00%

**As certified by Azeem Wahid Khan, Chartered Engineer, pursuant to certificate dated June 26, 2024.*

Notes:

(1) The information relating to the existing installed capacity of our manufacturing plants as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include

the standard capacity calculation practice of the iron ore, sponge iron and steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plants.
(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plant as of at the end of the relevant period.

As a result of our proposed capacity expansion plans, our aggregate installed metal capacity and captive power plants installed capacity are proposed to be increased from 3,40,000 MTPA, as of March 31, 2024 to 7,00,000 MTPA, and 34 MW, as of March 31, 2024, to 504 MW, respectively.

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 sponge iron manufacturing plants with the Surjagarh Mining Complex, augmentation of our revenues, better cost controls and consequent increase in profitability and presence across the steel value chain. In addition, we believe our expansion plans and strategy will allow us to meet the anticipated increase in steel demand in the future, enable us to supply growing markets more efficiently and drive profitability.

Continue to focus on cost efficiency and increase profitability

We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. We intend to continuously invest in new infrastructure at our manufacturing plants and are exploring opportunities to obtain synergies in our existing manufacturing plants.

We were granted the mining rights to the Surjagarh Mining Complex on allocation basis which significantly reduces our operating costs as compared to mines which have been auctioned by the government. We are not required to pay any premium to the government over the lifetime of the mine for operations *(Source: CRISIL Report).* This has resulted in us having a low duty structure, which in turn has led to us achieving better profitability as compared to our peers who have procured their mines by way of auction. a low duty structure, which in turn has led to us achieving better profitability as compared to our peers who have procured their mines by way of auction.

For instance, we propose to set-up a 3 MTPA blast furnace at our Konsari Manufacturing Plant which will enable us to forward integrate by manufacturing pig iron. The gas generated from the blast furnace will be utilised by our captive power plant thereby resulting in lower cost of power. Further, we are also in the process of setting up a 85km long slurry pipeline from Hedri, Maharashtra to our sponge iron manufacturing plant at Konsari, Maharashtra. The slurry pipeline will carry the iron ore produced at our Surjagarh Mining Plant to our manufacturing facilities. This will lead to a significant reduction in our transport, logistics and operational cost, thereby providing us further cost advantages.

Focus on Pellet Exports

The exports of iron ore pellet are expected to rise (*Source: CRISIL Report*). With a growing demand for iron ore pellets in the global market, we intend to capitalize on industry opportunities by leveraging the close proximity of our mining operations and manufacturing plants to various ports and export iron ore pellets to international markets. While, presently we do not manufacture iron ore pellets and only sell them through our trading arrangements, we are in the process of setting up an pellet plants in Konsari, Maharashtra with a capacity of 4 MTPA. For details, see "*Use of Proceeds*" beginning on page 70.

Products

The following table lists our various products, as well as their principal end uses/ markets:

Products	Description	Principal End Usage / Markets
Iron Ore	Iron ores are rocks and minerals from which metallic iron can be economically extracted. It is the major raw material for steel industry	Iron ore is used directly in the steelmaking process in the blast furnace in the form of lump, pellet, and fines

Products	Description	Principal End Usage / Markets
Sponge Iron	Sponge iron is a spongy mass of iron which is a metallic product manufactured through direct reduction of iron ore/ iron pellet in the solid state. It is a substitute for scrap and is mainly used in making steel through the secondary route. The process of sponge iron making aims to remove the oxygen from iron ore or pellets.	Sponge iron is used as raw material for billets/ hot-rolled coils/ wire rods and is a substitute of scrap. We sell sponge iron, an intermediate product, primarily in the Western & Central Part of India.
Pellet	Pellets are a type of agglomerated iron ore fines, which has better tumbler index when compared with that of parent iron ore and can be used as a substitute of lump ore for the production of sponge iron and in blast furnaces for the production of hot metal. The iron pellets are produced with cold crushing strength ('CCS') of 210 plus and porosity of 24 plus which helps to maintain grade in DRI fem – 80 plus and our product mean particle size ('MPS') is approximately 9.5 to 10, which assists in reducing oxygen in kiln and maintain consistency in grade.	Iron pellets are used as raw material for sponge iron and blast furnace. Apart from using items as input for our finished products, we also sell iron pellets, an intermediate product, primarily in the states of Goa, Gujarat. & also export various part of the world

Our Mining Operations and Manufacturing Plants

As on date, our Company operates its mining operations from the Surjagarh Mining Complex. Further, we produce sponge iron through our two manufacturing facilities located at Ghugus, Maharashtra and Konsari, Maharashtra. Our two captive power plants are also based at our two sponge manufacturing plants.

The following illustrates the locations of our manufacturing plants:

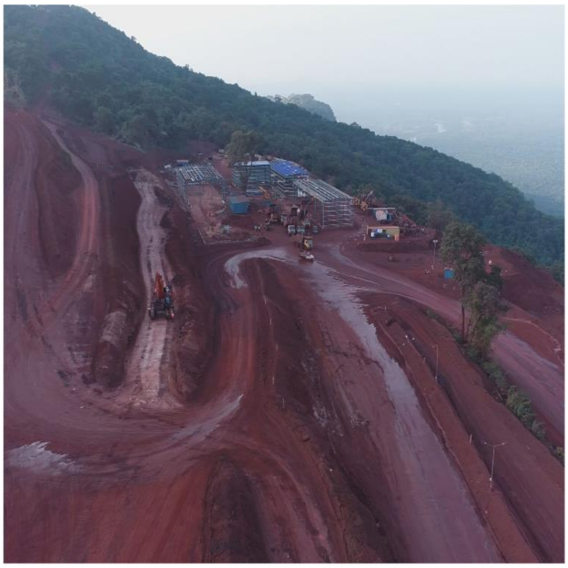
Surjagarh Mining Complex

Our Company has been granted the iron ore mining rights over an area of 348.09 Ha. at Surjagarh Village, Maharashtra ("**Surjagarh Mining Complex**"), with a lease period of 50 years which is valid till 2057, providing us access to significant reserve of iron ore. As on March 31, 2024, the Surjagarh Mining Complex has resources (proved and probable) of 157 million tonne of hematite ore and 706 million tonne of banded hematite quartz (*Source: CRISIL Report*). Our iron ore reserves are processed in both lump ore and fine ore. The mining operations are conducted by TEMPL, one of our Promoters through our partnership.

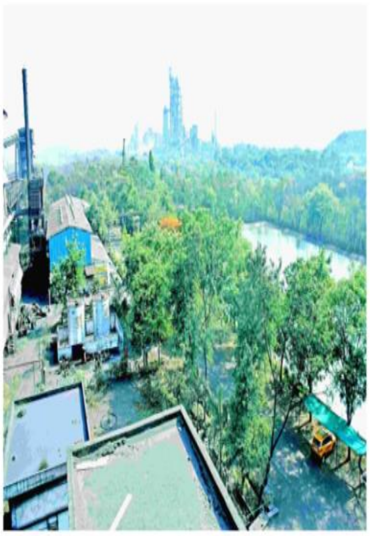
Our iron ore mining operations are mechanised. The operators employ systematic bench formation for both overburden and ore extraction. The bench heights typically range between 10 and 15 metre. We have also developed a "Stockyard" near Allapalli with a truck weighment and screening facility capable of handling 10 MTPA of iron ore material per annum.

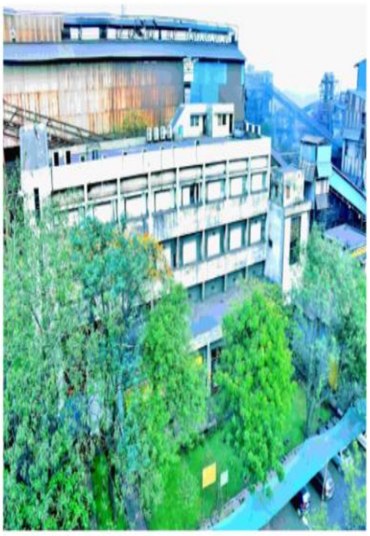
Utilities

The power requirement are met by a 33 KVA State Grid installed inside the mine. Further, we also rely on generators for additional power requirements. Water is sourced from borewells as well as the surface water present in the area.



Ghugus Manufacturing Plant





The Ghugus Manufacturing Plant is located in the state of Maharashtra and consists of sponge iron manufacturing plant with an installed capacity of 0.27 MTPA, as of March 31, 2024. It is spread over 280 acres of land, which has been leased from MIDC by our Company.

The manufacturing plant comprises five direct reduced iron kilns for sponge iron plants (five kilns of 100 TPD each) as of March 31, 2024. The plant has a coal washery, which helps in optimizing the coal consumption. The Ghugus Manufacturing Plant has one captive power plant of 30 MW, as of March 31, 2024 which utilises pollution dust, char/ flu gases, waste heat and solid wastes (dolochar) from our sponge iron plants to generate electricity. The unit has a water storage unit and a power substation.

Konsari Manufacturing Plant

The Konsari Manufacturing Plant is located in the state of Maharashtra and consists of direct reduced iron kilns (two kilns of 95 TPD each) with an installed capacity of 0.07 MTPA, as of March 31, 2024. It is spread over 50.29 hectares (124.2693 acres) of land, which has been leased from MIDC by our Company.

The Konsari Manufacturing Plant comprises two direct reduced iron kilns for sponge iron plants (95 TPD each) as of March 31, 2024. The Konsari Manufacturing Plant has one captive power plant of 4 MW, as of March 31, 2024 which utilises non-fossil fuel, pollution dust, char/ flu gases, waste heat and solid wastes (dolochar) from our sponge iron plants to generate electricity. The unit has a water storage unit and a power substation.

Power, Fuel and Water

Coal and electricity are principal sources of energy for our sponge iron production. Power, fuel and water account for a certain amount of our total expenses. In Fiscals 2022, 2023 and 2024, the power, fuel and water accounted for 3.64%, 5.49% and 10.61%, respectively, of our total expenses. We primarily utilize coal as a fuel during the process of sponge iron production as well as in our captive power plant, while electricity is used across all processes.

Environmental Management

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the remediation of contaminated sites and natural resource damages. We have adopted environmental management policy to integrate sound environmental practices across our management and governance systems to minimize environmental impacts and attain a leadership position in an environmental stewardship.

As part of our efforts and commitment to the environment, Thriveni Earthmovers Private Limited, one of our corporate Promoter, has taken on rent, electric vehicles, deployed at the mining location at Surjagarh instead of petrol / diesel vehicles for its transportation / logistics requirement. Further, we have also installed water sprayers for suppression of dust at our mining facilities. We also organize tree plantation initiatives. In recognition of our efforts, we have also achieved a 5 star rating from the Indian Bureau of Mines for exemplary performance in implementation of sustainable development framework.

Occupational Health and Safety

We have received ISO 9001:2015, ISO 14001: 2015 and ISO 45001: 2018 quality certifications. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We aim to conduct our operations free from accidents and occupational hazards. We have implemented various practices at our Manufacturing Facilities to ensure the safety of our workforce, including contractors and temporary labourers. Further, we strive to provide a safe working ecosystem for our people and accordingly, aim to follow all statutory requirements.

Internal Controls

We have put in place a system of internal controls to help ensure that all assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. In addition, the internal financial control and reporting process ensures robust financial monitoring and ensures compliance. We deploy standard policies and procedures, covering relevant business aspects, which are designed to facilitate effective oversight on business operations. Our internal control system is periodically reviewed by the management, and supplemented by an extensive program of internal and external audits.

Intellectual Property

We have obtained registration for the trademark LLOYDS METALS LLOYDS METALS AND ENERGY LIMITED from the Registrar of Trademarks in India under the Trade Marks Act, 1999.

Competition

The market for our iron ore, sponge iron products and iron pellets is highly competitive. Competition occurs principally on the basis of price, quality and brand name. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Many of our current and potential competitors include large companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have. See, "*Risk Factors – Competition from other materials or changes in the products or manufacturing processes of customers that use our iron ore or steel products, could reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.*" on page 59.

Employees

As of March 31, 2024, we had a workforce of 2,692 personnel which comprised 1,402 employees, 369 permanent workers and 921 contract workers for our operations. Further, certain of our workers are represented by a labour union. The number of contract laborers varies from time to time based on the nature and extent of work contracted to independent contractors. Our permanent employees include personnel engaged in management, administration, human resource, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. In order to improve our operational efficiencies, we regularly organize in-house and external training programs for our employees.

Insurance

Our operations are subject to risks inherent in the mining and 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 have obtained standard fire and special perils policies as well as coverage for terrorism and earthquake for our Surjagarh Mining Complex as well as our two sponge iron manufacturing plants. We also have group accidental policy and directors and officers liability policy.

Corporate and Social Responsibility ("CSR")

We believe that sustainable community development is essential for harmonious development of both the community and industry. We are dedicated to making a positive impact on our community. We actively work towards providing education support to the students, making available fresh drinking water, meeting the medical requirements, food and clothing for hungry and poor people in rural areas around the Surjagarh, Konsari and Chandrapur districts of the state of Maharashtra. In line with our CSR initiatives, we have incorporated "Lloyds Infinite Foundation", through which we carry out our CSR initiatives. The main object of the Lloyds Infinite Foundation is to promote, support, run, maintain and assist schools, colleges, research centres, other educational institutions and organisations including but not limited to vocational and non-vocational training centres.

In Fiscals 2022, 2023 and 2024, we incurred ₹ 0.28 crore, ₹ 1.16 crore and ₹ 66.59 crore, respectively, towards CSR activities. Some of the key CSR initiatives undertaken by us are as follows:

- Organizing medical camps;
- Providing tankers of drinking water in nearby villages;
- Improve educational infrastructure at nearby schools; and
- Plantation and maintenance activities.

Properties

Our Corporate Office, located at "A-2, 2nd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Lower Parel, Mumbai – 400013, Maharashtra", is on leasehold basis. Our Registered Office, located at "Plot No A 1-2, MIDC Area Ghugus, Chandrapur - 442505, Maharashtra, India" as well as our sponge iron manufacturing plants located in Ghugus, Maharashtra and Konsari, Maharashtra are located on lands that has been leased to us by Maharashtra Industrial Development Corporation. Our Company has been granted the iron ore mining rights over an area of 348.09 Ha. at Surjagarh Village, Maharashtra, with a lease period of 50 years which is valid till 2057.

Also see, "*Risk Factors – Our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial condition.*" on page 50.

ORGANISATIONAL STRUCTURE

Our Company was incorporated as Nagarjuna Metals and Engineers Private Limited on April 5, 1977, at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956 and was granted the certificate of incorporation by the Registrar of Companies. The name of our Company was changed to Nagarjuna Metals and Engineers Limited pursuant to a fresh certificate of incorporation consequent upon the conversion of the Company into a public limited company, issued by the Registrar of Companies on September 9, 1986. Subsequently, the name of our Company was changed to Lloyds Metals and Engineers Limited pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies on January 5, 1990. Further, the name of our Company name was changed to Lloyds Metals and Energy Limited pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies on April 25, 2011.

Organisational Structure

Our Subsidiaries

As of the date of this Preliminary Placement Document, our Company has three (3) Subsidiary namely:

1. Lloyds Infinite Foundation;
2. Lloyds Surya Private Limited;
3. Lloyds Logistics Private Limited.

Our Associates

As on date of this Preliminary Placement document, our Company does not have any associate company.

Our Joint Ventures

As on the date of this Preliminary Placement Document, our Company does not have any Joint Venture

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. Our Articles of Association require us to have not less than three and not more than 25 Directors. As on date of this Preliminary Placement Document, we have 12 Directors on our Board, comprising four Executive Directors, two non-executive directors and six Independent Directors, including two women independent directors.

The following table sets forth details of our Board as on the date of this Preliminary Placement Document:

No.	Name, address, occupation, current term, nationality and DIN	Age (years)	Designation
1.	**Mukesh Rajnarayan Gupta** ***Address***: Vandan CHS Limited, 17th Floor, 29 A, Dongersey Road, Near Elizabeth Hospital, Walkeshwar, Mumbai, Maharashtra – 400 006 ***Occupation***: Business ***Current Term***: Liable to retirement by rotation ***Nationality***: Indian ***DIN*****:** 00028347	66	Chairman and Non-Executive Director
2.	**Babulal Agarwal** ***Address***: Flat No. 2701, 26th Floor, Pearl Residency, 956 Sayani Road, Prabhadevi, Mumbai, Maharashtra – 400 025 ***Occupation***: Business ***Current Term***: Appointed with effect from August 8, 2023, liable to retirement by rotation ***Nationality***: Indian ***DIN***: 00029389	77	Vice- Chairman and Non-Executive Director
3.	**Rajesh Rajnarayan Gupta** ***Address***: Flat No. 1201, 133, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra – 400 018 ***Occupation***: Business ***Current Term***: Appointed for five years with effect from August 8, 2023 ***Nationality***: Indian ***DIN***: 00028379	59	Managing Director
4.	**Balasubramanian Prabhakaran** ***Address***: 120/3, First Main Road, Salem, New Fairlands, Tamil Nadu – 636 016 ***Occupation***: Business	51	Managing Director

No.	Name, address, occupation, current term, nationality and DIN	Age (years)	Designation
	Current Term*:** Appointed for five years with effect from August 8, 2023 ***Nationality*:** Indian ***DIN: 01428366		
5.	**Madhur Rajesh Gupta** ***Address***: Flat No. 1201, 133, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra – 400 018 ***Occupation***: Business ***Current Term*:** Appointed with effect from August 8, 2023, liable to retirement by rotation ***Nationality*:** Indian ***DIN*:** 06735907	33	Executive Director
6.	**Soundararajan Venkateswaran** ***Address***: 56/58, V.O.C. Street, Belur, Salem, Tamil Nadu 636 104 ***Occupation***: Service ***Current Term***: Appointed for five years with effect from August 8, 2023 ***Nationality***: Indian ***DIN*:** 08035383	54	Executive Director
7.	**Ramesh Luharuka** ***Address***: 138-B, Jolly Makers Chambers- 2, Jamnalal Bajaj Road, Nariman Point, Mumbai, Maharashtra – 400 021 ***Occupation***: Professional ***Current Term***: Appointed for five years with effect from October 7, 2021 ***Nationality***: Indian ***DIN*:** 00001380	69	Independent Director
8.	**Bhagyam Ramani** ***Address***: 501, Anand Co-Operative Housing Society, Juhu, Versova Link Road, Behind Sky Lark Building, Andheri West, Mumbai, Maharashtra – 400 058 ***Occupation***: Professional ***Current Term***: Appointed for a term of five years with effect from December 29, 2019	72	Independent Director

No.	Name, address, occupation, current term, nationality and DIN	Age (years)	Designation
	Nationality: Indian ***DIN***: 00107097		
9.	**Dr. Seema Saini** ***Address***: A/101, Deepak Apartment, Pawan Baug Road, Malad West, Mumbai, Maharashtra – 400 064 ***Occupation***: Teaching ***Current Term***: Appointed for five years with effect from March 30, 2022 ***Nationality***: Indian ***DIN*****:** 09539941	59	Independent Director
10.	***Dr. Satish Ramchandra Wate*** ***Address***: Plot No. 148/149, Nagar Vikas Society, Sallee, Narendra Nagar, Vivekananda Nagar, Nagpur, Maharashtra – 440 015 ***Occupation***: Professional ***Current Term***: Appointed for five years with effect from January 20, 2023 ***Nationality***: Indian ***DIN*****:** 07792398	68	Independent Director
11.	**Subbarao Munnang** ***Address***: D2, Kudremukh Housing Colony, 2nd Block, Koramangala, Bengaluru, Karnataka – 560 034 ***Occupation***: Professional ***Current Term***: Appointed for five years with effect from March 16, 2023 ***Nationality***: Indian ***DIN*****:** 06495576	63	Independent Director
12.	**Mahendra Singh Mehta** ***Address***: 1701, Raheja Excelsior, Pandit Madan Mohan Malviya Marg, Near Sobo Mall, Tulsiwadi, Tardeo, Mumbai, Maharashtra – 400 034 ***Occupation***: Self-Employed ***Current Term***: Appointed for five years with effect from October 23, 2023 ***Nationality***: Indian ***DIN*****:** 00019566	68	Independent Director

Brief Profiles of our Directors

Mukesh Rajnarayan Gupta is the Promoter, Chairman and Non-Executive Director of our Company. He has been associated with our Company since the year 1991 and has over 30 years of experience in the metal and steel industry.

Babulal Agarwal is the Vice-Chairman and Non-Executive Director of our Company. He has been associated with our Company since the year 2023.

Rajesh Rajnarayan Gupta is the Promoter & Managing Director of our Company. He has been associated with our Company since the year 1991 and has over 30 years of experience in the metal and steel industry.

Balasubramanian Prabhakaran is the Managing Director of our Company. He has over 30 years of experience in the mining industry. He is also the promoter of Thriveni Earthmovers Private Limited. He has been associated with our Company since the year 2021.

Madhur Rajesh Gupta is the Executive Director and Promoter of our Company. He has been associated with our Company since the year 2020 and has over three years of experience in the metal and steel industry.

Soundararajan Venkateswaran is the Executive Director of our Company. He was previously associated with Thriveni Earthmovers Private Limited as a director of operations. He has over 30 years of experience in mining industry. He has been associated with our Company since the year 2022.

Bhagyam Ramani is the Independent Director of our Company. She has been associated with our Company since the year 2014.

Ramesh Luharuka is the Independent Director of our Company. He holds a bachelor's degree in law and a master's degree in commerce from the University of Bombay. He is also a member of Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has been associated with our Company since the year 2021.

Dr. Seema Saini is the Independent Director of our Company. She has been associated with our Company since the year 2022.

Dr. Satish Ramchandra Wate is the Independent Director of our Company. He holds a bachelor's degree in science from Nagpur University. He also holds a master's degree in science (biochemistry) and a doctorate in the faculty of science from Nagpur University. He has been associated with our Company since the year 2023.

Subbarao Munnang is the Independent Director of our Company. He has been associated with our Company since the year 2023.

Mahendra Singh Mehta is the Independent Director of our Company. He has been associated with our Company since the year 2023.

Relationship between our Directors

Except as stated below, none of our Directors on Board are related to each other:

Sr No.	Name of Director	Relationship
1.	Mukesh Rajnarayan Gupta	Brother of Rajesh Rajnarayan Gupta, nephew of Babulal Agarwal and paternal uncle of Madhur Rajesh Gupta
2.	Rajesh Rajnarayan Gupta	Brother of Mukesh Rajnarayan Gupta, father of Madhur Rajesh Gupta and nephew of Babulal Agarwal
3.	Madhur Rajesh Gupta	Son of Rajesh Rajnarayan Gupta and nephew of Mukesh Rajnarayan Gupta
4.	Babulal Agarwal	Maternal Uncle of Rajesh Rajnarayan Gupta and Mukesh Rajnarayan Gupta

Remuneration details of our Directors:

(i) **Remuneration details of our Executive Directors**

The details of the remuneration paid by our Company to our present Executive Directors including all allowances, provident fund contribution for the period from April 1, 2024 till June 30, 2024 and for Fiscals 2024, 2023 and 2022 are set forth below:

(*in ₹ crores*)

Name of the Director	Remuneration			
	For the period from April 1, 2024 till June 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Rajesh Rajnarayan Gupta	0.45	0.96	-	-
Madhur Rajesh Gupta	0.41	0.77	-	-
Balasubramanian Prabhakaran	0.45	0.96	-	-
Soundararajan Venkateswaran	0.41	0.82	-	-

(ii) **Remuneration details of our Non-Executive Directors**

Accordingly, the details of the sitting fees paid by our Company to our present Non-Executive Directors from April 1, 2024 till June 30, 2024 and for the Fiscals 2024, 2023 and 2022, respectively are set forth below:

(*in ₹*)

Name of the Director	Remuneration			
	For the period from April 1, 2024 till June 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Mukesh Rajnarayan Gupta	25,000	87,000	14,000	38,000
Babulal Agarwal	20,000	22,38,270	65,00,004	65,00,004
Ramesh Luharuka	28,000	1,06,000	32,000	64,000
Bhagyam Ramani	20,000	65,000	18,000	26,000
Dr. Seema Saini	25,000	62,000	12,000	-
Dr. Satish Ramchandra Wate	15,000	72,000	6,000	-
Subbarao Munnang	20,000	67,000	2,000	-
Mahendra Singh Mehta	30,000	70,000	-	-

Borrowing powers of the Board

Our Board of Directors vide a special resolution dated December 27, 2014 is authorized to borrow from time to time any sum or sums of money (in foreign currency of Indian rupee), on such terms and conditions with or without security as the Board may think fit which, together with the moneys already borrowed by the Company (apart from temporary loss obtained or to be obtained from the Company's Bankers in the ordinary course of business), an aggregate amount not exceeding ₹ 2,000 crore notwithstanding the money borrowed may exceed the aggregate of the paid – up share capital and free reserves.

Shareholding details of our Directors

The following table sets forth details regarding the shareholding of the Directors as on date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage of total paid-up Share Capital (in %)
Mukesh Rajnarayan Gupta	7,07,300	0.14
Rajesh Rajnarayan Gupta	12,08,460	0.24
Madhur Rajesh Gupta	96,00,000	1.90
Soundararajan Venkateswaran	11,500	Negligible

Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company. In addition to Rajesh Rajnarayan Gupta, Managing Director, and Balasubramanian Prabhakaran, Managing Director, whose details are provided in "*Board of Directors and Senior Management Personnel – Brief profiles of our Directors*" on page 188, the following are our Key Managerial Personnel:

Name	Designation
Riyaz Ahmed Shaikh	Chief Financial Officer
Trushali Shah	Company Secretary and Compliance Officer

Senior Management of our Company

The following are the Senior Management of our Company:

Name of the Senior Management	Designation
Sanjay Kumar	Chief Operating Officer
Pramod Kumar Parmanand	Senior Vice President- Operations
Sumit Agarwal	Senior General Manager- – Commercial
T.A. Bhaskar	Executive Director- Operations
Rama Raman Satapathy	Executive Director- Beneficiation Operations

Shareholding of our Key Managerial Personnel and Senior Management

Except as disclosed, none of the Senior Management Personnel of our Company hold any Equity Shares in our Company as of the date of this Preliminary Placement Document.

Name	Number of Equity Shares	Percentage of total paid-up capital (%)
Rajesh Rajnarayan Gupta	12,08,460	0.24
Sanjay Kumar	4,000	Negligible
Sumit Agarwal	1,09,496	0.02
Trushali Shah	163	Negligible
Riyaz Ahmed Shaikh	1,10,020	0.02
T.A. Bhaskar	4,500	Negligible

Relationship between Key Managerial Personnel and members of the Senior Management

Except as disclosed under "- *Relationship between our Directors*" beginning on page 188**,** none of the Key Managerial Personnels and members of the Senior Management are related to each other or to the Directors.

Interest of our Directors and Senior Management

All our Directors may be deemed to be interested to the extent of their remuneration, sitting fees and compensation payable to them, commission as well as to the extent of reimbursement of expenses payable to them.

All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, and trustees.

Our Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them.

Except as provided in "*Related Party Transactions*" beginning on page 81 of this Preliminary Placement Document, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions, with our Directors during the last three Fiscals, see "*Related Party Transactions*" beginning on page 81 of this Preliminary Placement Document.

The Senior Management of our Company 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 and to the extent of the Equity Shares held by them or their dependents in our Company, if any, any dividend payable to them.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Our Company has neither availed of any loans from, nor extended any loans to our Directors, which are currently outstanding.

Except for Rajesh Rajnarayan Gupta, Madhur Rajesh Gupta, Babulal Agarwal, Balasubramanian Prabhakaran and Mukesh Rajnarayan Gupta, who are also the promoters of our company, none of our Directors have any interest in the promotion of our Company as on the date of this Preliminary Placement Document.

Corporate Governance

Our Company is in compliance with the corporate governance requirements including the constitution of Board and Committees thereof, as prescribed under the Companies Act 2013, and SEBI Listing Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Committees of the Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Name of the Committee	Members
Audit Committee	• Ramesh Luharuka (Chairman) • Rajesh Rajnarayan Gupta • Mahendra Singh Mehta • Subbarao Munnang
Nomination and Remuneration Committee	• Dr. Satish Ramchandra Wate (Chairman) • Mukesh Rajnarayan Gupta • Mahendra Singh Mehta
Stakeholders' Relationship Committee	• Mukesh Rajnarayan Gupta (Chairman) • Mahendra Singh Mehta • Ramesh Luharuka
Risk Management Committee	• Rajesh Rajnarayan Gupta (Chairman) • Ramesh Luharuka • Dr. Satish Ramchandra Wate • Subbarao Munnang
Corporate Social Responsibility Committee	• Dr. Seema Saini (Chairperson) • Rajesh Rajnarayan Gupta • Ramesh Luharuka
Committee of Board of Directors	• Rajesh Rajnarayan Gupta (Chairman) • Mukesh Rajnarayan Gupta • Bhagyam Ramani • Balasubramanian Prabhakaran

Management Organization Structure

Board of Directors of LMEL											
Mukesh Rajnarayan Gupta	Babulal Agarwal	Rajesh Rajnarayan Gupta	Balasubramanian Prabhakaran	Madhur Rajesh Gupta	Soundararajan Venkateswaran	Bhagyam Ramani	Ramesh Luharuka	Dr. Seema Saini	Dr. Satish Ramachandran Wate	Subbarao Munnang	Mahendra Singh Mehta
Chairman	Vice - Chairman	Managing Director	Managing Director	Executive Director	Executive Director	Independent Women Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director

KMP & SMP

Name	Designation
Riyaz Shaikh	Chief Financial Officer
Trushali Shah	Company Secretary and Compliance Officer
Sanjay Kumar	Chief Operating Officer
Sumit Agrawal	Senior General Manager
Pramod Kumar Parmanand	Senior Vice President- Operations
T. A. Bhaskar	Executive Director - Operations
Rama Raman Satapathy	Executive Director - Exploration & Beneficiation

Disclosures pertaining to Wilful Defaulter and Fraudulent Borrower

Our Company is not declared as a Willful Defaulter or Fraudulent Borrower. The details of certain instances where our Directors and our Promoters have been declared as Willful Defaulters or Fraudulent Borrowers have been summarized below:

Mukesh Rajnarayan Gupta

Sr. No.	Particulars	Details
1	Name of the company declared as a wilful defaulter in which the person was a director	1. Lloyds Steel Industries Limited ("**LSIL**"); and 2. Lloyds Finance Limited ("**LFL**")
2	Name of the bank declaring the person as a wilful defaulter	*In respect of loans defaulted by LSIL* 1. Bank of India; 2. Central Bank of India; and 3. State Bank of Travancore; *In respect of loans availed by LFL* 1. Dhanalakshmi Bank; 2. State Bank of Mysore; 3. State Bank of Patiala; 4. State Bank of Travancore; and 5. The South Indian Bank Limited
3	Year in which the person was declared as a wilful defaulter	2002*
4	Outstanding amount when the person was declared as a wilful defaulter	1. Bank of India: ₹ 50.00 crores; 2. Central Bank of India: ₹ 143.05 crores (as at first quarter of declaration) and ₹ 143.05 crores (as at last quarter of declaration); 3. State Bank of Mysore: ₹ 9.22 crores (as at first quarter of declaration) and ₹ 8.90 crores (as at last quarter of declaration); 4. State Bank of Patiala: ₹ 5.26 crores (as at first quarter of declaration) and ₹ 5.26 crores (as at last quarter of declaration); 5. Dhanalakshmi Bank: ₹ 6.27 crores; 6. State Bank of Travancore *(in respect of loans defaulted by LSIL)*: ₹ 45.84 crores (as at first quarter of declaration) and ₹ 45.84 crores (as at last quarter of declaration); 7. State Bank of Travancore *(in respect of loans defaulted by LFL)*: ₹ 9.86 crores (as at first quarter of declaration) and ₹ 9.86 crores (as at last quarter of declaration) 8. The South Indian Bank Limited: ₹ 1.77 crores (as at first quarter of declaration) and ₹ 1.79 crores (as at last quarter of declaration)
5	Steps taken, if any, by the person for removal of the person's name from the list of wilful defaulters	1. Bank of India: LSIL had settled the dues in the year 2013. 2. Central Bank of India: The loan was assigned to Phoenix ARC Private Limited. LSIL had settled the dues in the year 2012. 3. State Bank of Mysore: LSIL had settled the dues in the year 2006. 4. State Bank of Patiala : LFL had settled the dues in the year 2005.

		5. Dhanalaksmi Bank: LFL had settled the dues in the year 2008. 6. State Bank of Travancore: LSIL and LFL had settled the dues in the years 2007 and 2006, respectively. 7. The South Indian Bank: LFL had settled the dues in the year 2015.
6	Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision	-
7	Any other disclosure as specified by SEBI	-

**The year in which Mukesh Rajnarayan Gupta was first declared as a Wilful Defaulter has been disclosed above*

Rajesh Rajnarayan Gupta

Sr. No.	Particulars	Details
1	Name of the company declared as a wilful defaulter in which the person was a director	1. Lloyds Steel Industries Limited ("**LSIL**"); and 2. Lloyds Finance Limited ("**LFL**")
2	Name of the bank declaring the person as a wilful defaulter	*In respect of loans defaulted by LSIL* 1. Bank of India; 2. Central Bank of India; and 3. State Bank of Travancore; *In respect of loans availed by LFL* 1. Dhanalakshmi Bank; 2. State Bank of Mysore; 3. State Bank of Patiala; 4. State Bank of Travancore; and 5. The South Indian Bank Limited
3	Year in which the person was declared as a wilful defaulter	2002*
4	Outstanding amount when the person was declared as a wilful defaulter	1. Bank of India: ₹ 50.00 crores; 2. Central Bank of India: ₹ 143.05 crores (as at first quarter of declaration) and ₹ 143.05 crores (as at last quarter of declaration); 3. State Bank of Mysore: ₹ 9.22 crores (as at first quarter of declaration) and ₹ 8.90 crores (as at last quarter of declaration); 4. State Bank of Patiala: ₹ 5.26 crores (as at first quarter of declaration) and ₹ 5.26 crores (as at last quarter of declaration); 5. Dhanalakshmi Bank: ₹ 6.27 crores; 6. State Bank of Travancore *(in respect of loans defaulted by LSIL)*: ₹ 45.84 crores (as at first quarter of declaration) and ₹ 45.84 crores (as at last quarter of declaration); 7. State Bank of Travancore *(in respect of loans defaulted by LFL)*: ₹ 9.86 crores (as at first quarter of declaration) and ₹ 9.86 crores (as at last quarter of declaration); 8. The South Indian Bank Limited: ₹ 1.77 crores (as at first quarter of declaration) and ₹ 1.79 crores (as at last quarter of declaration)
5	Steps taken, if any, by the person for removal of the person's name from the list of wilful defaulters	1. Bank of India: LSIL had settled the dues in the year 2013.

		2. Central Bank of India: The loan was assigned to Phoenix ARC Private Limited. LSIL had settled the dues in the year 2012. 3. State Bank of Mysore: LSIL had settled the dues in the year 2006. 4. State Bank of Patiala : LFL had settled the dues in the year 2005. 5. Dhanalaksmi Bank: LFL had settled the dues in the year 2008. 6. State Bank of Travancore: LSIL and LFL had settled the dues in the years 2007 and 2006, respectively. 7. The South Indian Bank: LFL had settled the dues in the year 2015.
6	Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision	-
7	Any other disclosure as specified by SEBI	-

**The year in which Rajesh Rajnarayan Gupta was first declared as a Wilful Defaulter has been disclosed above.*

Babulal Agarwal

Sr. No.	Particulars	Details
1	Name of the company declared as a wilful defaulter in which the person was a director	Lloyds Steel Industries Limited ("**LSIL**")
2	Name of the bank declaring the person as a wilful defaulter	*In respect of loans defaulted by LSIL* 1. Bank of India; 2. Central Bank of India; 3. State Bank of Mysore; and 4. State Bank of Travancore;
3	Year in which the person was declared as a wilful defaulter	2002*
4	Outstanding amount when the person was declared as a wilful defaulter	1. Bank of India: ₹ 50.00 crores; 2. Central Bank of India: ₹ 143.05 crores (as at first quarter of declaration) and ₹ 143.05 crores (as at last quarter of declaration); 3. State Bank of Mysore: ₹ 9.22 crores (as at first quarter of declaration) and ₹ 8.90 crores (as at last quarter of declaration); 4. State Bank of Travancore: ₹ 45.84 crores (as at first quarter of declaration) and ₹ 45.84 crores (as at last quarter of declaration);
5	Steps taken, if any, by the person for removal of the person's name from the list of wilful defaulters	1. Bank of India: LSIL had settled the dues in the year 2013. 2. Central Bank of India: The loan was assigned to Phoenix ARC Private Limited. LSIL had settled the dues in the year 2012. 3. State Bank of Mysore: LSIL had settled the dues in the year 2006. 4. State Bank of Travancore: LSIL had settled the dues in the year 2007.
6	Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision	-
7	Any other disclosure as specified by SEBI	-

**The year in which Babulal Agarwal was first declared as a Wilful Defaulter has been disclosed above.*

Disclosures pertaining to defaults

Mukesh Rajnarayan Gupta: The name of Mukesh Rajnarayan Gupta, our Promoter and Director, has been disclosed in the list of defaulters (*₹ 1.00 crore and above*) on the website of TransUnion CIBIL in relation to defaults of payments of loans availed by our Company, LSIL and LFL from: (i) Centurion Bank (Rs. 12.64 crore); (ii) Credit Agricole Corporate and Investment Bank (₹ 42.42 crore); (iii) CSB Bank (₹ 5.67 crore); (iv) Dhanalakshmi Bank (₹ 6.27 crore); (v) General Insurance Corporation of India (₹ 17.92 crore); (vi) IndusInd Bank (₹ 147.99 crore); (vii) State Bank of Hyderabad (₹ 39.18 crore); (viii) State Bank of India (₹ 25.78 crore); (ix) State Bank of Mysore (₹ 12.15 crore); (x) The Federal Bank (₹ 39.15 crore); (xi) The United Western Bank (₹ 2.88 crore); (xii) Bank of Tokyo Mitsubishi (₹ 44.89 crore); (xiii) Central Bank of India (₹ 220.00 crore); and (xiii) The South Indian Bank (₹ 5.01 crore).

Rajesh Rajnarayan Gupta: The name of Rajesh Rajnarayan Gupta, our Promoter and Director, has been disclosed in the list of defaulters (*₹ 1.00 crore and above*) on the website of TransUnion CIBIL in relation to defaults of payments of loans availed by our Company, LSIL and LFL from: (i) Centurion Bank (Rs. 12.64 crore); (ii) Credit Agricole Corporate and Investment Bank (₹ 42.42 crore); (iii) CSB Bank (₹ 5.67 crore); (iv) Dhanalakshmi Bank (₹ 6.27 crore); (v) General Insurance Corporation of India (₹ 17.92 crore); (vi) IndusInd Bank (₹ 147.99 crore); (vii) State Bank of Hyderabad (₹ 39.18 crore); (viii) State Bank of India (₹ 99.03 crore); (ix) State Bank of Mysore (₹ 12.15 crore); (x) State Bank of Patiala (₹ 5.25 crore); (xi) State Bank of Travancore (₹ 9.86 crore); (xi) The South Indian Bank Limited (₹ 6.80 crore); (xii) Bank of Tokyo Mitsubishi (₹ 44.89 crore); (xiii) SIDBI (₹ 33.98 crore); (xiv) The United Western Bank Limited (₹2.88 crore); (xv) Central Bank of India (₹ 220.00 crore); and (xvi) Federal Bank (₹ 39.15 crore).

Babulal Agarwal: The name of Babulal Agarwal, our Promoter and Director, has been disclosed in the list of defaulters *(₹ 1.00 crore and above*) on the website of TransUnion CIBIL in relation to defaults of payments of loans availed by our Company and LSIL from: (i) Centurion Bank Limited (₹ 12.64 crore); (ii) Bank of Tokyo Mitsubishi (₹44.89 crores); (iii) Central Bank of India (₹ 220.00 crore); and (iv) State Bank of India (₹ 95.18 crore);

Other Confirmations

None of the Directors, Promoters or Senior Management of our Company has any financial or other material interest in the Issue.

None of the Directors or the companies with which they are or were associated as promoters, directors are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other governmental authority. Neither our Company, nor our Promoters or the companies with which our Promoters is or has been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of our Directors or Promoters has been declared as a Fugitive Economic Offender.

None of our Directors, Promoters or Senior Managerial personnel of our Company intends to subscribe to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of internal procedures and conduct for the fair disclosure of unpublished price sensitive information and the prevention of insider trading. In compliance with the same, our Company has adopted a code of internal procedures and conduct to regulate, monitor and report trading in securities of the Company by insiders, as approved by our Board on July 31, 2015, with effect from May 15, 2015 which lays down the procedure for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information. Our Company Secretary acts as the compliance officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during Fiscals 2024, 2023 and 2022, see "*Financial Statements*" and "*Related Party Transactions*" on page 250 and 81 of this Preliminary Placement Document, respectively.

SHAREHOLDING OF OUR COMPANY

Shareholding pattern of our Company as on March 31, 2024

The following table sets forth the details regarding the equity shareholding pattern of our Company as on March 31, 2024

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 e.g.: Equity Shares	**Class e.g.: Others**	**Total**								
(A)	Promoters and Promoter Group	15	33,19,20,274	-	-	33,19,20,274	65.69	33,19,20,274	-	33,19,20,274	65.69	-	65.69	8,89,43,844	26.80	8,04,33,193	24.23	33,19,20,274
(B)	Public	33,875	17,31,42,319	-	-	17,31,42,319	34.27	17,31,42,319	-	17,31,42,319	34.27	-	34.27			-	-	16,95,43,209
(C)	Non-Promoter-Non-Public	01	1,90,942	-	-	1,90,942	-	1,90,942	-	1,90,942	0.04	-	-	-	-	-	-	1,90,942
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	01	1,90,942	-	-	1,90,942	0.04	1,90,942	-	1,90,942	0.04	-	0.04	-	-	-	-	1,90,942
	Total	**33,891**	**50,52,53,535**	-	-	**50,52,53,535**	**100**	**50,52,53,535**	-	**50,52,53,535**	**100**	-	-	8,89,43,844	17.60	**8,04,33,193**	**15.92**	**50,16,54,425**

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on March 31, 2024:

Category	Category & Name of shareholder (I)	Entity type (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: Class e.g.: Equity Shares	Class e.g.: Others	Total	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)	
A(1)	**Indian**																		
(a)	Individuals/ Hindu Undivided Family		09	3,57,21,720	-	-	3,57,21,720	7.07	3,57,21,720	-	3,57,21,720	7.07	-	7.07	0	0	0	0	3,57,21,720
(b)	Any other (Specify)		06	29,61,98,554	-	-	29,61,98,554	58.62	29,61,98,554	-	29,61,98,554	58.62	-	58.62	8,89,43,844	30.03	8,04,33,193	27.16	29,61,98,554
	Sub Total (A)(1)		15	33,19,20,274	-	-	33,19,20,274	65.69	33,19,20,274	-	33,19,20,274	65.69	-	65.69	8,89,43,844	26.80	8,04,33,193	24.23	33,19,20,274
A(2)	**Foreign**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total = A(1)+ A(2)		15	33,19,20,274	-	-	33,19,20,274	65.69	33,19,20,274	-	33,19,20,274	65.69	-	65.69	8,89,43,844	26.80	8,04,33,193	24.23	33,19,20,274

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on March 31, 2024:

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 e.g.: Equity Shares	Class e.g.: Others	Total								
B(1)	**Institutions (Domestic)**																	
(a)	Mutual Funds	12	2,53,941	-	-	2,53,941	0.05	2,53,941	-	2,53,941	0.05	-	0.05	-	-	-	-	2,53,941
(b)	Alternative Investments Funds	1	17,420	-	-	17,420	0.00	17,420	-	17,420	0.00	-	0.00	-	-	-	-	17,420
(c)	Banks	2	8,000	-	-	8,000	0.00	8,000	-	8,000	0.00	-	0.00	-	-	-	-	6,000
(d)	Insurance Companies	2	36,399	-	-	36,399	0.01	36,399	-	36,399	0.01	-	0.01	-	-	-	-	36,399
(e)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Other Financial Institution	1	9,000	-	-	9,000	0.00	9,000	-	9,000	0.00	-	0.00	-	-	-	-	9,000
(g)	Any Other Specify	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total B(1)	**18**	**3,24,760**	**-**	**-**	**3,24,760**	**0.06**	**3,24,760**	**-**	**3,24,760**	**0.06**	**-**	**0.06**	**-**	**-**	**-**	**-**	**3,22,760**
B(2)	**Institutions (Foreign)**																	
(a)	Foreign Portfolio Investors Category-I	28	34,47,539	-	-	34,47,539	0.68	34,47,539	-	34,47,539	0.68	-	0.68	-	-	-	-	34,47,539
(b)	Foreign Portfolio Investors Category-II																	
(c)	Any Other Specify	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total B(2)	**28**	**34,47,539**	**-**	**-**	**34,47,539**	**0.68**	**34,47,539**	**-**	**34,47,539**	**0.68**	**-**	**0.68**	**-**	**-**	**-**	**-**	**34,47,539**
B(3)	**Central Government / State Government (s)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B(4)	**Non-Institutions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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)							
								Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(a)	Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Key Managerial Personnel	02	1,10,183	-	-	1,10,183	0.02	1,10,183	-	1,10,183	0.02	-	0.02	-	-	-	-	1,10,183
(c)	Relatives of promoters (other than immediate relatives' of promoters disclosed under Promoter and Promoter Group category)	06	4,78,804	-	-	4,78,804	0.09	4,78,804	-	4,78,804	0.09	-	0.09	-	-	-	-	4,78,804
(c)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'																	
(d)	Investor Education and Protection Fund (IEPF)																	
(e)	Resident Individuals holding nominal share capital up to ₹2 lakhs	32,147	2,92,95,887	-	-	2,92,95,887	5.80	2,92,95,887	-	2,92,95,887	5.80	-	5.80	-	-	-	-	2,63,88,777
(f)	Resident Individuals holding nominal share capital in excess of ₹2 lakhs	33	2,42,24,584	-	-	2,42,24,584	4.79	-	-	2,42,24,584	4.79	-	4.79	-	-	-	-	2,42,24,584
(g)	Non-Resident Indians	571	9,18,939	-	-	9,18,939	0.18	-	-	9,18,939	0.18	-	0.18	-	-	-	-	5,24,939
(h)	Bodies Corporate	374	11,22,02,585	-	-	11,22,02,585	22.21	-	-	11,22,02,585	22.21	-	22.21	-	-	-	-	11,19,07,585

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)							
								Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(i)	Any other (Specify)	696	21,39,038	-	-	21,39,038	0.42	-	-	21,39,038	0.42	-	0.42	-	-	-	-	21,38,038
(i)	Clearing Members	31	2,86,559	-	-	2,86,559	0.57	-	-	2,86,559	0.57	-	0.57	-	-	-	-	2,86,559
(ii)	Hindu Undivided Family	664	18,51,479	-	-	18,51,479	0.37	-	-	18,51,479	0.37	-	0.37	-	-	-	-	18,51,479
(iii)	LLP/Trusts	1	1,000	-	-	1,000	0.00	-	-	1,000	0.00	-	0.00	-	-	-	-	0
	Sub-Total B(4)	33,829	16,93,70,020	33.52	-	16,93,70,020	33.52	-	-	16,93,70,020	33.52	-	33.52	-	-	-	-	16,57,72,910
	Total B=B(1)+B(2)+B(3)+ B(4)	33,875	17,31,42,319	34.27	-	17,31,42,319	34.27	-	-	17,31,42,319	34.57	-	34.57	-	-	-	-	16,95,43,209

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on March 31, 2024

Sl. No.	Category & Name of the Shareholders (I)	No of shareholders	Total no. of shares held =(IV)+ (V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form
					No.	As a % of total shares held	
(1)	Custodian / DR Holder	-	-	-	-	-	-
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	01	1,90,942	0.04	-	-	1,90,942
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	01	1,90,942	0.04	-	-	1,90,942

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 217 and 228, respectively.

Our Company, the Book Running Lead Manager and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that have applied in the Issue are required to confirm and are deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, employees, counsels, officers, agents, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Manager and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder was eligible to acquire the Equity Shares. For details, see section titled, "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 217 and 228, respectively.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have adopted a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the Issue and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the Promoter or Directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide

trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by the Company shall have been completed or the Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;
- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;
- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;
- an offer to QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter, the Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited;
- the Promoter and Directors are not fugitive economic offenders;

Please note that the requirement under Regulation 172(1)(b) of the SEBI ICDR Regulations, i.e. the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the Committee of Board of Directors decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated April 27, 2024, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations. The Issue Price shall be subject to appropriate adjustments if our Company makes any alteration to its share capital as mentioned in Regulation 176(4) of the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" beginning on page 213.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document, or the Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board on March 21, 2024, and approved by our Shareholders, by way of a postal ballot resolution dated April 27, 2024, the results of which were declared on April 29, 2024.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crore; and
- five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", see section "*—Bid Process—Application Form*" on page 209.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S Securities Act, or the securities laws of any state 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 of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 217 and 228, respectively. 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.

Our Company has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on January 10, 2024.

Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the Book Running Lead Manager, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead

Manager. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

- it has agreed to certain other representation as set forth in the Application Form and this Preliminary Placement Document;

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;

- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited; and

- Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the 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 for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

5. Each Bidder shall be required to make the entire payment of the Bid Amount for the number of Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final trading approval from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the

form and manner set out in "– *Refunds*" on page 214.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclosed the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares were allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the 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 for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager will send the serially numbered CAN and the Placement Document to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Manager.**

10. Upon determination of the Issue Price and the issuance of CAN and prior to Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final listing and trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the final listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Prospective investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

17. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- 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;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- SI-NBFC.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules. FVCIs are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue Equity Share Capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Eligible 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.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, Promoter, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company, the Book Running Lead Manager and any of its shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

Note: *Affiliates or associates of the Book Running Lead Manager who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" beginning on pages 3, 6, 217 and 228, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue

Closing Date;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

8. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

9. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager;

11. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)I of the SEBI Takeover Regulations;

13. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price; and

14. The Eligible QIB confirms that it is purchasing the Equity Shares in an "offshore transaction" in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate;

15. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their

beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Bid Amounts will have to be deposited. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address:

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025,
Maharashtra, India
Contact Person: Prachee Dhuri
Email: lmel.qip@jmfl.com
Phone No.: +91 22 66303030

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the complete Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the "**LLOYDS METALS AND ENGERY LIMITED QIP ESCROW ACCOUNT**" with ICICI Bank Limited in terms of the arrangement among our Company, the Book Running Lead Manager and the Escrow Bank. Bidders will be required to deposit the entire Bid Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment is not made favouring the "**LLOYDS METALS AND ENGERY LIMITED QIP ESCROW ACCOUNT**" within the Issue Period stipulated in the Application Form, the Application Form of the Eligible QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "**LLOYDS METALS AND ENGERY LIMITED QIP ESCROW ACCOUNT**" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "- *Refunds*" on page 214.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated April 27, 2024 and in terms of Regulation 176 of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS.

BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" beginning on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Manager and the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which the Bid Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Bid Amount, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges. our Company shall repay the Bid Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final listing and trading approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "-*Bid Process*" and "– *Refund*" beginning on pages 209 and 214, respectively.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "**LLOYDS METALS AND ENGERY LIMITED QIP ESCROW ACCOUNT**" account to our Company until receipt of notice from the Book Running Lead Manager, the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

Placement Agreement

The Book Running Lead Manager have entered into the Placement Agreement dated July 4, 2024, with our Company, pursuant to which the Book Running Lead Manager have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis. The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein. Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act and 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 of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 217 and 228, respectively. This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" beginning on page 12.

From time to time, the Book Running Lead Manager, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the shareholders of our Company, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and their affiliates and associates.

Lock-up

Our Company agrees that other than to the extent of issue and allotment of securities through the Preferential Issue, it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the BRLM, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company;

Lock-up by Promoters

Our Promoters, other than to the extent of subscribing to the Preferential Issue or any inter-se transfer between the Promoters or the members of the Promoter, will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the BRLM, directly or indirectly: (a) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described under "*Transfer Restrictions and Purchaser Representations*" on page 228.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which the Offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under this Preliminary Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of

Bahrain (“**CBB**”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“**MOICT**”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “**SIBL**”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“**DFSA**”) Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Member State**”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Manager of such fact in writing and has received the consent of the Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of

Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or the Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state 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 of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "*Transfer Restrictions and Purchaser Representations*" beginning on page 228.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India and was the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations, SEBI Listing Regulations. The SCRA and the SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, the SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to inter alia prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures ("**SDD**").

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provide for disclosure obligations for promoters, employees, and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares offered in the Issue or making any resale, pledge or transfer of the Equity Shares purchased in the Issue.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 217.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and 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 of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity

with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and the Book Running Lead Manager 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 and warranties. It will not hold any of the Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised 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 acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹1,000,000,000 divided into 750,000,000 Equity Shares of face value of ₹1 each and 25,000,000 Preference Shares of face value of ₹10 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹505.25 crore comprising 505,253,535 Equity Shares (of face value of ₹1 each). The Equity Shares are listed on BSE and NSE.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by the company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified as in their judgement the position of the Company justifies.

Capitalisation of profits

In addition to permitting dividends to be paid as described above, the Companies Act, 2013 permits the board of directors of a company, subject to the approval of the shareholders of the company, to capitalise the profits or reserves of the company to *inter alia* distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, the Company in a general meeting may, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve account, or in the hands of Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend ad in the same proportions and on the footing that they become entitled thereto as capital and on that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a share premium account and a capital redemption reserve account may, for the purposes of the article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of share capital

Under the provisions of the Companies Act, 2013, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to Section 62(1)(a) of the Companies Act 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, 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 subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Company may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. 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 general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company. Any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act, 2013. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the shareholders. Shorter notice is permitted if consent is received from 95% of the shareholders entitled to vote at such meeting. Such number of shareholders as required under the Companies Act, 2013 or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in section 103 of the Companies Act, 2013. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act, 2013 and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and 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. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Companies Act, 2013 and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, the Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Our Articles of Association provide that the Company shall maintain a ‘Register of Transfers’ and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, if the Company shall be wound up, the liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any 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.

TAXATION

Date: July 4, 2024

To,

The Board of Directors
Lloyds Metals and Energy Limited
Plot No A 1-2, MIDC Area,
Ghugus, Chandrapur,
Maharashtra, 442505

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

(JM Financial Limited is referred to hereinafter as the "**Book Running Lead Manager**")

Sub: Statement of tax benefits ("Statement") available to Lloyds Metals and Energy Limited (the "Company") and its shareholders prepared in accordance with the Securities Exchange and Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

We, Todarwal and Todarwal LLP, the statutory auditors of the Company, hereby consent to the use of the Statement of Tax Benefits dated July 4, 2024 to be included in the Preliminary Placement Document and Placement Document (together referred to as "**Offering Documents**") of the Company to be filed with National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), in relation to the qualified institutions placement of equity shares of face value of ₹1 of the Company (the "**Placement**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act which are based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. We were informed that this statement covers the possible tax benefits available to the Company and its shareholders and is only intended to provide general information to the investors for the Placement 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 Placement.

We confirm that **Annexure I** provides in all material respects the possible tax benefits available to the Company or its shareholders in accordance with the applicable tax laws as on the date of this certificate.

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

1. The Company or its shareholders will continue to obtain these benefits in future; or

2. The conditions prescribed for availing the benefits have been/ would be met with.

3. The revenue authorities/courts will concur with the views expressed therein.

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

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

We hereby confirm that the enclosed statement is in connection with the possible tax benefits available to the Company, the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "Act"), presently in force in India, the Finance Act, 2024, Goods and Service Tax Act, 2017, Customs Act 1962, each as amended, presently in force in India as on the date of this certificate in the enclosed statement at Annexure I.

We also consent to include our name as "Expert" as described under Section 2(38) and Section 26 of the Companies Act, 2013, as amended, in the Offering Documents and all the other related documents pertaining to the transaction, for the purpose of issuance of the Statement of Tax Benefit referred above.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

The consent has been issued at the request of the Company for use in connection with the Placement and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon by the Company, the Book Running Lead Manager, legal counsel and other advisors or intermediaries appointed pursuant to the Placement and we undertake to immediately intimate the Book Running Lead Manager, legal counsel and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For Todarwal and Todarwal LLP
Chartered Accountants
ICAI Firm Registration Number: W100231/111009W

Kunal Todarwal
Partner
Membership No.: 137804
Place: Mumbai
UDIN: 24137804BJZWOT4919
Date: July 4, 2024
Cc:

Legal Counsel for the Offer

<u>**Annexure I**</u>

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO LLOYDS METALS AND ENERGY LIMITED ('THE COMPANY'), ITS SHAREHOLDERS, AND ITS MATERIAL SUBSIDIARIES UNDER THE DIRECT AND INDIRECT TAXES ("TAX LAWS")

The information provided below sets out the possible special direct and indirect tax benefits available to Lloyds Metals and Energy Limited (the "**Company**") and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfil

We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

Investors are advised to consult their own tax consultant with respect to the tax implications of an investment and consequences of purchasing, owning and disposing of equity shares, particularly in view of the fact that certain legislation may not have a direct legal precedent or may have a different interpretation in a particular situation.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND IT'S SHAREHOLDERS

Benefits available to the Company and its shareholders under the Income-tax Act, 1961 ("the Act") and the Income Tax Rules, 1962 ("the Rules") including amendments made by the Finance Act, 2024 (hereinafter referred to as "Income Tax Laws") are as under:

A. Special tax benefits available to the Company

The Company is engaged in the business of mining of iron ore , manufacturing of sponge iron , generation of power and trading of Pellets

1. Concessional corporate tax rate under section 115BAA of the Act:

In terms of section 115BAA of the Act, domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate was available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to subsequent AY.

The concessional tax rate is subject to a company not availing any of the following deductions under the provisions of the Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1) (iia): Additional depreciation
- Section 32AD: Investment allowance
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research
- Section 35AD: Deduction for capital expenditure incurred on specified businesses
- Section 35CCC/35CCD: Expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M

No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred to above

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge 10% and health and education cess 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed. The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

2. Deduction under section 80M of the Act in respect of inter corporate dividends:

Up to 31 March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1 April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

B. Special tax benefits available to the Shareholders of the Company

1. Dividend income earned by the shareholders:

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.

2. Long-term capital gains arising in the hands of the shareholders:

As per section 112A of the Act, long-term capital gains exceeding Rs.1,00,000 arising on the transfer of an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust, transacted through a recognized stock exchange on which Securities Transaction Tax ("STT") has been paid, shall be chargeable to tax in the hands of the shareholder at the rate of 10% (plus applicable surcharge and cess) without applying the benefit under the first and second provisos to section 48 of the Act.

3. Short-term capital gains arising in the hands of the shareholders:

As per the provisions of section 111A of the Act, any short-term capital gains arising on the transfer of an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust transacted through a recognized stock exchange and chargeable to STT, shall be taxable in the hands of the shareholder at a rate of 15% (plus applicable surcharge and cess).

Further, any income by way of capital gains or dividend accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant Double Taxation Avoidance Agreement ("DTAA"), whichever is beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident

As per the provisions of section 111A of the Act, any short-term capital gains arising on the transfer of an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust transacted through a recognized stock exchange and chargeable to STT, shall be taxable in the hands of the shareholder at a rate of 15% (plus applicable surcharge and cess).

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND IT'S SHAREHOLDERS

Benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax")

A. POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The Company is engaged in generation of power. Under the Goods and Services Tax legislation, absolute exemption has been granted to electrical energy by way of Notification No. 2/2017 – Central Tax (Rate) dated June 28, 2017. To mean, no GST is levied at the time of supply of electricity. Though exemption is granted under the GST legislation, State specific laws have been enacted in order to levy electricity duty at the time of sale of electrical energy.

B. POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

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

Notes:

We have not considered the general tax benefits available to the Company or shareholders of the Company.

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.

This Annexure is intended only 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 tax consequences, each investor is advised to consult his/her tax advisor with respect to specific taxes arising out of the shares allotted.

This statement does not discuss any tax consequences in a country outside India of an investment in the shares.

The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them.

The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
- the Company or its shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been/ would be met with; and
- the revenue authorities/courts will concur with the view expressed herein.

The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Lloyds Metals and Energy Limited

Managing Director

Date: July 4, 2024

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings may primarily be in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, arbitration proceedings, commercial proceedings, which are pending before various adjudicating forums within India.

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy on Criteria for Determining Materiality of Events" framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**"). The SEBI ICDR Regulations mandate legal proceedings to be disclosed in accordance with the materiality policy framed under the SEBI Listing Regulations.*

*Accordingly, all outstanding civil proceedings individually involving (which includes cases filed by and against) our Company, Subsidiaries, Directors and our Promoters ("**Relevant Parties**"), where the amount involved is equivalent to or in excess of ₹17.53 crore (being lesser of: (i) two percent of our turnover, as per our last audited consolidated financial statements; (ii) two percent of our net worth, as per our last audited consolidated financial statements, except in case where the arithmetic value of net worth is negative; or (iii) five percent of the average of absolute value of profit or loss after tax, as per our last three audited consolidated financial statements) ("**Materiality Threshold**") shall be considered material and shall be disclosed in this Preliminary Placement Document. The Materiality Threshold was approved by our Committee of Board of Directors pursuant to its resolution dated July 4, 2024.*

In addition to disclosing the cases above Materiality Threshold involving the Relevant Parties, our Company has also disclosed in this section, solely for the purpose of the Issue, the following outstanding legal proceedings, to the extent applicable: (i) all outstanding criminal proceedings involving the Relevant Parties; (ii) all outstanding actions initiated (including any show-cause notices received) by any regulatory and/ or statutory authorities such as SEBI or such similar authorities or stock exchanges, involving the Relevant Parties; (iii) consolidated disclosure of all outstanding tax (direct and indirect) proceedings (including show cause notices) involving the Relevant Parties; (iv) any other outstanding litigation involving the Relevant Parties wherein the aggregate amount involved is not quantifiable, but which, in view of our Company, could have a material adverse effect on the business or operations or reputation or financial prospects of our Company

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action, pending or taken, by any ministry or department of the government or a statutory authority against our Promoters during the last three years and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years against our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; or (d) loan from any bank or financial institution and interest thereon by our Company; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; and (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations;.

It is clarified that for the purposes of the above, pre-litigation notices received by any of, our Company, Subsidiaries, Directors and/or Promoter from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Outstanding criminal proceedings initiated against our Company

Nil

Outstanding criminal proceedings initiated by our Company

Nil

B. Outstanding material civil proceedings involving our Company

Outstanding material civil proceedings against our Company

1. Narayani Gokhare, the widow of Kamalnayan Gokhare **("Appellant")** and others had filed a claim petition dated April 27, 2016, under Section 166 of the Motor Vehicles Act, 1988, against our Company and an insurance company ("**Respondents**"), before the Motor Accident Claims Tribunal, Chandrapur **("MACT")** alleging that an accident involving a car belonging to our Company on December 22, 2015, fatally injured Kamalnayan Gokhare **("Deceased")**. The police registered an offence and filed a first information report against the driver of our Company car under Sections 279, 338 and 427 of the Indian Penal Code, 1860, read with Section 184 of the Motor Vehicles Act, 1988. The MACT passed an order dated July 20, 2019, for the Respondents to jointly and severally pay a compensation of ₹0.36 crores along with interest of 7.5% p.a. from the date of institution of the petition i.e. April 27, 2016, till realization thereof. Subsequently, the Appellants filed an appeal before the High Court of Bombay **("High Court")** under Section 173 of the Motor Vehicles Act, 1988, to increase the grant of compensation up to an amount of ₹ 0.52 crores along with an interest of 9% on the decretal amount from date of filing of petition. The matter is presently pending before the High Court.

Outstanding material civil proceedings by our Company

Our Company, MIDC Industrial Association, Chandrapur and certain other entities (together the "**Petitioners**") have filed a writ petition dated August 8, 2020 against the Ministry of Coal, Coal India Limited and Western Coalfields Limited (together the "**Respondents**"), before the High Court of Bombay, Nagpur Bench. The Petitioners alleged that the Mine Specific Pricing Policy dated November 7, 2018 ("**Pricing Policy**") would not be applicable to those who had entered into an agreement dated September 23, 2016 ("**Agreement**") for supply of coal with Coal India Limited and Western Coalfields Limited. It was alleged by the Petitioners, that under the Agreement, even in respect of coal supplied by the Western Coalfields Limited, the price was to be fixed by Coal India Limited. However, in the revised Pricing Policy, Western Coalfields Limited would be the authority to fix the price. The Petitioners have alleged that the Pricing Policy is in violation of Article 14 of the Constitution of India. The Petitioners also seek that the notification dated November 1, 2019, issued by the Respondents, be declared as invalid and bad in law. The matter is currently pending before the High Court of Bombay.

C. Actions taken by regulatory and statutory authorities against our Company

Nil

II. Litigation involving our Subsidiaries

A. Outstanding criminal proceedings involving our Subsidiaries

Outstanding criminal proceedings initiated against our Subsidiaries

Nil

Outstanding criminal proceedings initiated by our Subsidiaries

Nil

B. Outstanding material civil proceedings involving our Subsidiaries

Outstanding material civil proceedings against our Subsidiaries

Nil

Outstanding material civil proceedings by our Subsidiaries

Nil

C. Actions taken by regulatory and statutory authorities against our Subsidiaries

Nil

III. Litigation involving our Promoters

A. Outstanding criminal proceedings involving our Promoters

Outstanding criminal proceedings initiated against our Promoters

Mukesh Rajnarayan Gupta

1. In January 2010, the Deputy Superintendent of Police, CBI: BS&FC; Mumbai filed a chargesheet bearing no. RC 5(E)/2001/CBI/BS&FC/Mumbai ("**Chargesheet"**) against Mukesh Rajnarayan Gupta, our Promoter and other defendants named therein under Section 120B of the Indian Penal Code ("**IPC**"), read with Sections 409,420, 467, 468, 471 of IPC and Commission of Specific Offences under Section 420 of IPC. The charges against Mukesh Rajnarayan Gupta are that he took delivery of 35,000 'tainted shares' of ACC, 20,000 'tainted shares' of Tata Tea and 20,000 'tainted shares' of L&T on instructions of Harshad Mehta, who was one of the broker defendants and introduced them in the market through Ketan Parekh, another broker, who sold those shares and used the proceeds to boost the share price of Jaiprakash Industries. It is alleged that Mukesh Rajnarayan Gupta indulged in criminal conspiracy and fraudulently transferred the abovementioned tainted shares in the names of the benamis of Harshad Mehta, Ashwin Mehta and Sudhir S. Mehta, The investigation is presently ongoing in the matter. As on date, the Additional Chief Metropolitan Magistrate, at the Esplanade Court, Mumbai is in the process of recording the statement of witnesses and the next date of hearing is July 12, 2024. The matter is currently pending.

Balasubramanian Prabhakaran

1. The Vigilance Department had filed a chargesheet on November 2, 2010 ("**Chargesheet**") under *inter alia* Sections 13(2) and 13(1)(d) of the Prevention of Corruption Act, 1988, Sections 120B, 379 and 420 of the Indian Penal Code 1860, Section 21(1) of the Mines and Minerals (Development and Regulation) Act, 1957 ("**MMDR Act**"), and Sections 3 and 4 of the Prevention of Money Laundering Act 2002, ("**PMLA**") against Indrani Patnaik (owner of mining rights), her husband Dipti Patnaik and Balasubramanian Prabhakaran, our Promoter (in his capacity as the managing director of Thriveni Earthmovers Private Limited) ("**Accused**"), alleging that they had conducted illegal mining in connivance with certain government officials, causing significant loss to the Government of India. Consequently, Balasubramanian Prabhakaran, filed a criminal miscellaneous petition against the case filed by the Vigilance Department, before the High Court of Orissa for quashing of the proceedings initiated by the Vigilance Department. The High Court of Orissa passed their judgement dated March 5, 2021, allowing the petition and quashing the Chargesheet and the order of cognizance passed by the Special Judge (Vigilance), against our Promoter, Balasubramanian Prabhakaran. In parallel, the Enforcement Directorate ("**ED**"), upon review of the documents provided by the Vigilance Department, filed a case under the PMLA in the aforesaid matter on December 12, 2012. Our Promoter filed a writ petition dated March 15, 2021 before the High Court of Orisha, seeking the quashing of the case filed under PMLA by the ED. However, the ED in their counter has stated that our Promoter was not made a co-accused in the complaint case filed by them and therefore, our Promoter is not entitled to any relief under the writ. The matter is presently pending before the High Court of Odisha.

2. Kailash Sao, Chairman of Jugra Displacement Committee, has filed a criminal complaint against

Balasubramanian Prabhakaran, in his capacity as managing director of Triveni Sainik Mining Private Limited and certain other individuals under Sections 34, 323, 406, 420, 504 and 506 of the Indian Penal Code, 1860 alleging embezzlement and fraud of ₹0.85 crores. The matter is presently pending before the Chief Judicial Magistrate, Hazaribag, Jharkhand.

3. A criminal complaint has been filed against Balasubramanian Prabhakaran, in his capacity as managing director of Triveni Sainik Mining Private Limited under Section 14 of the Child Labour (Prohibition and Regulation) Act, 1986. The matter is presently pending before the Chief Judicial Magistrate, Hazaribag, Jharkhand.

Ravi Agarwal

1. A criminal complaint has been filed against Ravi Agarwal, in his capacity as a director of Lloyds Realty Developers Limited and certain others by Avalokiteshwar Valinv Limited under Section 13 of the Maharashtra Ownership of Flat Act, 1963. The matter is presently pending before Additional Metropolitan Magistrate, Bhoiwada, Dadar, Mumbai.

2. Ramesh Karade had filed a complaint dated May 3, 2012 against Ravi Agarwal, Aristro Realty Developers Limited and Pallavi Purandare under Sections 4, 5 11, 13(1), 13(2) of the Maharashtra Ownership Flats (Regulation of the Promotion of construction, Sale, Management and Transfer) Act and Sections 403, 406, 418, 420 and34 of the Indian Penal Code, 1860, before the Metropolitan Magistrate, Kurla, alleging that the flat purchased by him from Aristro Realty Developers Limited (now known as Lloyds Realty Developers Limited) was also sold to one other person, thereby committing cheating. However, the matter was dismissed by the Metropolitan Magistrate, Kurla vide order dated August 2, 2023. Subsequently, a criminal revision application was filed by Ramesh Karade dated November 6, 2023 before the Court of Sessions, Greater Bombay. The matter is presently pending.

Thriveni Earthmovers Private Limited

1. The Union of India, represented by Assistant Commissioner of Income Tax (TDS), Bhuvaneshwar has filed a complaint ("**Complaint")** before the Additional Chief Judicial Magistrate, (Special Court) Cuttack against Thriveni Earthmovers Private Limited ("**TEMPL**") alleging delay in deposit of TDS by TEMPL for Fiscal 2020. Consequently, TEMPL has filed a petition dated June 10, 2024 under Section 482 of the CrPC before the High Court of Odisha to quash the cognizance taken by the special Additional Chief Judicial Magistrate, (Special Court) Cuttack in relation to complaint by the Assistant Commissioner of Income Tax (TDS). The High Court of Odisha has granted a stay in the matter and the matter is presently pending before the High Court of Odisha.

2. The Union of India, represented by Assistant Commissioner of Income Tax (TDS), Bhuvaneshwar has filed a complaint ("**Complaint")** before the Additional Chief Judicial Magistrate, (Special Court) Cuttack against Thriveni Earthmovers Private Limited ("**TEMPL**") alleging delay in deposit of TDS by TEMPL for Fiscal 2022. Consequently, TEMPL has filed a petition dated June 10, 2024 under Section 482 of the CrPC before the High Court of Odisha to quash the cognizance taken by the special Additional Chief Judicial Magistrate, (Special Court) Cuttack in relation to complaint by the Assistant Commissioner of Income Tax (TDS). The matter is presently pending before the High Court of Odisha.

3. Mahadevappa has filed a criminal complaint dated July 26, 2023 against United India Insurance Co. Limited and Thriveni Earthmovers Private Limited ("**TEMPL**") under Section 166 of the Motor Vehicles Act, 1988 alleging that a vehicle owned by TEMPL caused an accident in Bengaluru, Karnataka on April 11, 2023. The matter is presently pending before the Motor Accident Claims Tribunal.

Outstanding criminal proceedings initiated by our Promoters

1. Thriveni Earthmovers Private Limited ("**TEMPL**") has initiated six criminal proceedings against LSK Projects Private Limited and Krishna Enterprises under Section 138 of the Negotiable Instruments Act, in relation to dishonour of cheques and recovery of pending dues. The matters are pending before various forums. The aggregate amount involved in these matters is ₹0.35 crores

B. Outstanding material civil proceedings involving our Promoters

Outstanding material civil proceedings against our Promoters

1. Pursuant to an inspection by the Regional EPF, Keonjhar on June 26, 2019 at the central office of Thriveni Earthmovers Private Limited ("**TEMPL**"), the authority directed TEMPL to deposit ₹ 5.05 crores towards contribution of provident fund to avoid initiation of proceeding under sections 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. TEMPL filed a writ petition before the High Court of Odisha ("**High Court**") against the said direction. It is alleged that the splitting of minimum wages under various heads other than "basic" by TEMPL amounted to less contribution of provident fund. However, the High Court passed an order dated November 10, 2021 in favour of TEMPL and dismissed the direction of the provident fund authority. The provident fund authority filed an appeal before the Supreme Court of India and TEMPL has also filed an intervener application before the Supreme Court of India. While, the Supreme Court of India dismissed the appeal of the provident fund authority, the writ petition filed by TEMPL is still pending before the High Court of Odisha.

Outstanding material civil proceedings by our Promoters

1. Thriveni Earthmovers Private Limited ("**TEMPL**") has filed a civil writ petition dated February 10, 2021, against the state of Punjab before the Punjab and Haryana High Court challenging the orders of Punjab State Power Corporation Limited dated October 1, 2019 and May 27, 2020, whereby Punjab State Power Corporation Limited had sought a fresh bank guarantee of ₹30.00 crore. The matter is currently pending.

2. Thriveni Earthmovers Private Limited ("**TEMPL**") has filed a civil writ petition dated October 12, 2022 against Union of India and Paradeep Port Authority before the High Court of Orissa for setting aside and quashing the notified scale of rates for allotment of port land on lease basis by Paradeep Port Authority. The matter is currently pending.

C. Actions taken by regulatory and statutory authorities against our Promoters

Nil

IV. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Outstanding criminal proceedings initiated against our Directors

Please refer to " – *Litigation involving our Promoters – Outstanding criminal proceedings involving our Promoters – Outstanding criminal proceedings initiated against our Promoters*"

Outstanding criminal proceedings initiated by our Directors

Nil

B. Outstanding material civil proceedings involving our Directors

Outstanding material civil proceedings against our Directors

Nil

Outstanding material civil proceedings by our Directors

Nil

C. Actions taken by regulatory and statutory authorities against our Directors

Nil

V. Other outstanding litigation involving our Company, our Promoters, our Directors or our Subsidiaries wherein the aggregated amount involved is not quantifiable, but which could have a material adverse

effect on the business or operations or reputation or financial prospects of our Company

1. Abdul Atib Abdul Jalil Sheikh **("Complainant")** has filed a complaint against our Company, before the Industrial Court at Chandrapur, Maharashtra **("Court")** on September 07, 2021, alleging that our Company has indulged in unfair labour practices under Item 6 and 9 of Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 ("**MRTU and PULP Act**"). The establishment of our Company falls within the meaning of industry given under Industrial Dispute Act, 1947 and is also governed by the Model Standing Orders framed under Industrial Employment (Standing Orders) Act, 1946. The Complainant claims that he falls within the defined category of manual and technical work under the Bombay Industrial Employment (Standing Orders) Rules, 1959, submitting to the Court that the total number of years the Complainant has worked for falls within the definition of 'permanent workman' as defined under the MRTU and PULP Act, as he has been working with the Respondent for more than 3 months. Upon requesting for a status of permanency, the Complainant allegedly received threats of termination. The Complainant further claims that he should be entitled to the rights and benefits of provident fund, medical facilities, allowances, bonuses, etc. and is being deprived of the same. The Complainant thus, alleges that the Company is carrying out unfair labour practices and seeks to be taken on record as permanent employee of the Company. The matter is currently pending.

2. Ashwini Roshan Kumre, authorized person on behalf of gram sabha **("Petitioner")** filed a civil writ petition dated December 20, 2023 against the State of Maharashtra **("Respondent")** and others, before the High Court of Bombay **("High Court").** The Respondent vide a notification dated November 24, 2023 (the "**Acquisition Notification**") had proposed the acquisition of certain land parcels at Mauza: Komsari, Mudholi Chak ("L2"), Jayrampur, and Sonampalli in the district of Gadchiroli for Chamroshi Maharashtra Industrial Development Corporation under the Maharashtra Industrial Development Act, 1961 (the "**Proposed Land**"). The Proposed Land is to be acquired for development. The Petitioner alleges that such acquisition of L2 was unconstitutional and illegal as the village located at L2, falls under the Scheduled Areas (Maharashtra) Order, 1985 and therefore, the consultation and recommendation of the gram sabha is mandatory for the acquisition of the Proposed Land. Subsequently, the Respondent vide a letter dated November 30, 2023 issued to the gram panchayat, stated that they had proceeded for acquisition of L2 wherein our sponge iron manufacturing plant has been established. It is alleged by the Petitioner that the Respondent, has violated the provisions of Panchayat (Extension to the Scheduled Areas) Act, 1996, ("**PESA**"), Maharashtra Village Panchayats Extension to Scheduled Areas (PESA) Rules 2014 ("**PESA Rules**") and Industrial Development Act, 1961 via such acquisition. It is further alleged that the Respondent has fraudulently obtained signatures on certain papers allowing the acquisition of the Proposed Land. The Petitioner seeks that the Acquisition Notification be declared to be in violation and contravention of the provisions of the abovementioned legislations as well as and quash and set aside the Acquisition Notification. Our Company has filed an application for being added as a party to the writ petition or alternatively permit our Company to intervene in the writ petition. The matter is pending before the High Court.

3. Chhaya Sitaram Bhoyar, authorized person on behalf of gram sabha Jayrampur Village **("Petitioner")** has filed a civil writ petition dated December 19, 2023, against the State of Maharashtra **("Respondent")**, and others before the High Court of Bombay **("High Court")**. The Respondent has proposed via a notification dated November 24, 2023 (the "**Acquisition Notification**") the acquisition of land of Mauza: Komsari, Mudholi Chak, Jayrampur ("**L3**"), and Sonampalli in the district of Gadchiroli for Chamroshi Maharashtra Industrial Development Corporation under the Maharashtra Industrial Development Act, 1961 (the "**Proposed Land**"). The Proposed Land is to be acquired for development. The Petitioner alleges that such acquisition of L3 was unconstitutional and illegal as the Petitioners village falls under the Scheduled Areas (Maharashtra) Order, 1985 and therefore, the consultation and recommendation of the gram sabha is mandatory for the acquisition of the Proposed Land. Subsequently, the Respondent vide a letter issued to the gram panchayat, dated November 30, 2023, stated that they had proceeded for acquisition of L3. It is alleged by the Petitioner that the Respondent, has violated the provisions of Panchayat (Extension to the Scheduled Areas) Act, 1996, ("**PESA**"), Maharashtra Village Panchayats Extension to Scheduled Areas (PESA) Rules 2014 ("**PESA Rules**") and Industrial Development Act, 1961 via such acquisition. It is further alleged that the Respondent has fraudulently obtained signatures on certain papers allowing the acquisition. The Petitioner seeks that the Acquisition Notification be declared to be in violation and contravention of the provisions of the abovementioned legislations as well as and quash and set aside the Acquisition Notification. Our Company has filed an application for being added as a party to the writ petition or alternatively permit our Company to intervene in the writ petition.

The matter is pending before the High Court.

4. Samarjeet Chatterjee **("Petitioner")** has filed a Public Interest Litigation ***(*"PIL")** petition dated November 23, 2022 under Article 226 of the Constitution of India to issue appropriate writs of mandamus and certiorari against our Company, Union of India and others **("Respondents")**, before the High Court of Bombay **("High Court"),** alleging that our Company has illegally and arbitrarily increased the mining capacity at the Surjagarh Mining Complex, from 3 MTPA to 10 MTPA. The Petitioner claims that the act of the Company to expand their mining capacity is in violation of the terms, conditions, rules and regulations provided by the Ministry of Environment Forest and Climate Change (IA Division). The matter is currently pending before the High Court.

5. The Prakruti Foundation and others ("**Petitioners**") have filed a Public Interest Litigation ("**PIL**") dated April, 25, 2023, under Rule 4(e) of the Bombay High Court Public Interest Litigation Rules, 2010 read with the Article 226 of the Constitution of India, against our Company and others, before the High Court of Bombay ("**High Court**"). Our Company was granted a mining lease for captive use of iron ore and excess ore sale, post approval from the government of India. Pursuant to the mining lease, our Company entered into a memorandum of understanding with the state government of Maharashtra ("**MOU**"), for the sale of excess iron ore to the industries consuming iron ore situated in the Vidarbha region of Maharashtra, at a reasonable price. It is alleged by the Petitioners that the terms of the mining lease and the MOU are diluted to grant undue benefit to our Company to be able to use the mineral for captive use and to be able to sell the excess raw iron ore. The Petitioners further allege that the Surjagarh Iron Ore Mines were formed without proper approval and adversely affected the biodiversity as Surjagarh is a tribal area and is governed under the leadership of gram sabha according to the provisions of Panchayats (Extension to Scheduled Areas) Act, 1996 ("**PESA**") but no requisite prior permissions from the gram sabha were obtained for carrying out the mining activities. Through the present PIL, the Petitioner seeks to constitute an independent agency for conducting enquiry into the mining activity and the extent of sale of iron ore produced by our Company. The matter is presently pending before the High Court.

6. Nitish Poddar **("Petitioner")** has filed a public interest litigation **("PIL")** dated April 19, 2023, filed under Article 226 of the Constitution of India, against our Company and certain other parties, before the High Court of Bombay **("High Court").** The Petitioner has alleged that on account of the heavy vehicles, carrying mining extracts, which are being transported by our Company, along the state and national highway roads namely state highway 381, 363 and national highway no. 353-C, the roads have become damaged and it has therefore become an accident-prone area. The Petitioner further alleges that the gram panchayat of the villages situated on one stretch of the highway have made various complaints with the concerned authorities, however no action has been taken by them. Therefore, the Petitioner seeks via the present PIL that the passage of heavy vehicles is restrained on the aforementioned state and national highways. The matter is currently pending before the High Court.

7. Brahmanand Tiwari ("**Applicant**") has filed an application dated January 3, 2024, before the National Green Tribunal under sections 14, 15(b), 15(c), 18(1) and 18(2) of the National Green Tribunal Act, 2010, against our Company and one of our Promoters, Thriveni Earthmovers Private Limited ("**TEPL**") (together the "**Respondents**"). The Respondents carry out mining operations at Surjagarh, Gadchiroli district, pursuant to a mining lease. The Applicant alleges that the due to the mining operations of the Respondents at Surjagarh, have commenced without approvals from the nearby villagers and tribals. The Applicant further alleges that there is collusion between the mining mafia, politicians, and other relevant officials leading to harassment of the tribal leaders opposing the mining operations. It is also alleged that TEPL is conducting mining operations beyond their approved lease, therefore there is an encroachment of the forest land and underpayment of royalties by the Respondents. The Applicant further claims that the abovementioned actions of the Respondents have caused environmental degradations and threatens the way of life of the tribals in the area. The Applicant seeks among other reliefs, that a thorough and independent investigation is undertaken into the mining operations at Surjagarh, Gadchiroli.

8. Our Company in its capacity as an operational creditor ("**Appellant**"), filed an appeal with the National Company Law Appellate Tribunal (New Delhi) against the order dated August 30, 2023 ("**Order**"), passed by the National Company Law Tribunal (Mumbai Bench) ("**NCLT**") in furtherance of the application filed by the Appellant against the corporate debtor, Shah Coal Private Limited ("**Respondent**"), under Section 9 of the Insolvency and Bankruptcy Code, 2016, for initiation of corporate insolvency proceedings ("**Application**") against the Respondent for recovery of the commission amount of ₹ 0.52 crore against supply of 76,369 metric tonnes of cooking coal. It was

submitted that the Petitioner, pursuant to this commercial transaction, issued an invoice to the Respondent of ₹ 0.52 crore, against which a payment of ₹ 0.05 crores was received by the Petitioner, leaving a substantial amount of ₹ 0.43 crores as unpaid. The Petitioner, in order to recover the remaining amount issued a demand notice, on which no response was received from the Respondent. The Order by NCLT dismissed the application as it was time barred having been filed after a lapse of more than three years from the date of default. Thus, the present appeal is filed by the Appellant, wherein it seeks that the Order by NCLT be set aside and quashed and consequently admit the Application. The matter is currently pending.

9. Vijay Kumar Gangadhar has filed a complaint dated April 2, 2024 under Section 15 of Payment of Wages Act, 1936, against our Company for a claim of ₹ 0.26 crores along with interest, claiming for salary benefits along with gratuity and other benefits as required to be provided to permanent employees of our Company. The matter is presently pending before the Labour Court, Chandrapur.

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or any previous companies law, in the last three years immediately preceding the year of issue of the preliminary placement document against our Company and our Subsidiaries; and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of this Preliminary Placement Document, involving our Company and our Subsidiaries

BSE, NSE and MSE, each via notices dated November 21, 2023 had imposed a fine of ₹ 0.01 crore each on our Company, followed by a subsequent fine of ₹ 0.01 crore on our Company, by each of BSE and NSE via notices each dated February 22, 2024, for non-compliance by our Company with Regulation 17(1)(A) of the SEBI Listing Regulations, wherein prior approval of the shareholders of our Company by way of a special resolution was not sought by our Company for appointment Babulal Agarwal, who had crossed the age of 75 years. The fines have been paid by our Company, as of the date of this Preliminary Placement Document.

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

Default by our Company, and our Subsidiaries in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon

Nil

All litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and no direction have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action

Nil

Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as disclosed below, there are no reservations, qualifications or adverse remarks of the Statutory Auditor, or previous statutory auditors, as applicable, in their report on the audited consolidated financial statements of our Company for the last five Fiscals, preceding the date of this Preliminary Placement Memorandum.

Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Corrective steps taken or proposed to be taken by the Company
Fiscal Year 2021		
Emphasis of Matter: No provision has been made during the year ended on 31st March 2021 for Deferred Tax. Ind AS 12 requires recognition of tax consequences of difference between the carrying amounts, of assets and liabilities and their tax base. With reference to the above, the company has not adhered with measurement criteria as per Ind AS 12.	Non-Quantifiable	Corrective action has been taken in the subsequent year by complying the provision of IND AS 12 by recognizing deferred tax asset/liability.

Tax proceedings

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Directors, Promoters or our Subsidiaries:

(in ₹ crore)

Nature of Cases	Number of Cases	Amount involved (in ₹, to the extent quantifiable)
Company		
Direct Tax	7	32.42
Indirect Tax	4	16.16
Total	11	48.58
Subsidiaries		
Direct Tax	Nil	NA
Indirect Tax	Nil	NA
Total	Nil	NA
Promoters		
Direct Tax	21	222.94
Indirect Tax	16	248.53
Total	39	471.47
Directors		
Direct Tax	2	1.79
Indirect Tax	Nil	NA
Total	2	1.79

OUR STATUTORY AUDITORS

Our Company's current statutory auditors, M/s Todarwal and Todarwal LLP, Chartered Accountants, are the independent auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines prescribed by the ICAI.

The Statutory Auditors have audited the Audited Consolidated Financial Statements as at and for the year ended March 31, 2024 and March 31, 2023, which are included in this Preliminary Placement Document in "*Financial Statements*" beginning on page 250.

VSS & Associates, Chartered Accountants, our previous statutory auditors have audited the Audited Consolidated Financial Statements as at and for the year ended March 31, 2022, which are included in this Preliminary Placement Document in "*Financial Statements*" beginning on page 250.

GENERAL INFORMATION

1. Our Company was incorporated as Nagarjuna Metals and Engineers Private Limited on April 5, 1977, at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956 and was granted the certificate of incorporation by the Registrar of Companies. The name of our Company was changed to Nagarjuna Metals and Engineers Limited pursuant to a fresh certificate of incorporation consequent upon the conversion of the Company into a public limited company, issued by the Registrar of Companies on September 9, 1986. Subsequently, the name of our Company was changed to Lloyds Metals and Engineers Limited pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies on January 5, 1990. Further, the name of our Company name was changed to Lloyds Metals and Energy Limited pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies on April 25, 2011.

2. The Registered Office of our Company is situated at Plot No A 1-2, MIDC Area Ghugus, Chandrapur, 442505, Maharashtra, India.

3. The Corporate Office of our Company is situated at A-2, 2nd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Lower Parel, Mumbai, 400013, Maharashtra.

4. Our corporate identification number is L40300MH1977PLC019594.

5. The website of our Company is https://www.lloyds.in

6. The Equity Shares are listed on BSE and NSE.

7. As on the date of this Preliminary Placement Document, our Company's authorised share capital is ₹1,000,000,000 divided into 750,000,000 Equity Shares of face value of ₹1 each and 25,000,000 Preference Shares of face value of ₹10 each.

8. This Issue was authorised by our Board of Directors in their meeting held on March 21, 2024. Our Shareholders have approved the Issue by way of a special resolution passed by way of postal ballot dated April 27, 2024.

9. Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on July 4, 2024 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

10. Copies of our Memorandum and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Issue Period at our Registered and Corporate Office.

11. Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial or trading position since the date of Financial Statements which has been included in this Preliminary Placement Document.

12. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

13. Our Company confirms that it is in compliance with the minimum public shareholding requirements as provided under the SEBI Listing Regulations and Rule 19A of the SCRR.

14. Our Company has obtained necessary consents, approvals and authorizations as may be required in connection with the Issue.

15. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting our Company, or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are or might be material in the context of this Issue or could have a material adverse effect on the position, business, operations,

prospects or reputation of our Company. For further details, see "*Legal Proceedings*" on page 238 of this Preliminary Placement Document.

16. No change in control in our Company will occur consequent to this Issue.

17. The Floor Price for the Equity Shares under this Issue is ₹ 732.08 per Equity Share which has been calculated in accordance with Regulation 176 of the SEBI ICDR Regulations, as certified by M/s Todarwal and Todarwal LLP, Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through EGM held on April 27, 2024.

18. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations

19. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

20. Trushali Shah is the Company Secretary and Compliance Officer of our Company in terms of SEBI Listing Regulations. Her details are:

    Trushali Shah
    A-2, 2nd Floor, Madhu Estate,
    Pandurang Budhkar Marg,
    Lower Parel, Mumbai 400 013
    Telephone: 022 62918111
    E-mail id: investor@lloyds.in

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Lloyds Metals and Energy Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Lloyds Metals and Energy Limited** (hereinafter referred to as the "Holding Company") and its Subsidiaries, which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on 31st March, 2024, and notes to Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, of the consolidated profit and loss including total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Capitalization of Property, Plant and Equipment**
   (Refer Note No. 4 of the consolidated financial statements

   Given the company is in an expansion phase, the recognition and measurement of Property, plant and equipment are pivotal to the financial statements as it is crucial to support the growth strategy. These assets are capitalized once the assets are ready for use as intended by the management and are initially recorded at cost directly attributable for bringing the asset into its intended use. Subsequently, they are measured at cost less accumulated depreciation and impairment loss, if any. As a result, the aforesaid matter was determined to be a key audit matter.

   How the matter was addressed in our audit:
   Our audit procedures to assess the accounting for Property, Plant and Equipment (PPE) included the following.

   1. Assessing the company's policies and procedure for the initial recognition and measurement of PPE to ensure compliance with IND AS 16 'Property, Plant and Equipment'.
   2. Conducting detailed testing to verify the accuracy of PPE measurements. This included reviewing supporting documentation for verification of cost of acquisition or construction and ownership of PPE.
   3. Assessing the appropriateness of depreciation methods and the reasonableness of useful lives applied to PPE.
   4. Reviewing the disclosure requirements related to PPE in the financial statements, including accounting policies, depreciation methods and significant assumptions.

2. **Transactions with Mandovi River Pellets Pvt. Ltd.**

   During the year the company engaged in significant transactions with Mandovi River Pellets Pvt. Ltd. (MRPPL), a related party. These transactions involved sale of iron ore worth Rs. 440.56 crore and purchase of Iron Pellets worth Rs. 370.23 crore. These transactions raise key audit consideration due to the inherent risks associated with related party transactions. As a result, the aforesaid matter was determined to be a key audit matter.

   How the matter was addressed in our audit:
   Our audit procedures to assess the accounting for the transactions with MRPPL included the following.

   1. Identification of all transactions with MRPPL and assess whether they have been appropriately disclosed in the financial statements.

Todarwal & Todarwal LLP
Chartered Accountants

2. Evaluating the effectiveness of internal controls over related party transactions, including authorization, documentation, and review procedures.
3. Performing inquiries with management and key personnel to identify any undisclosed arrangements and agreements between the company and MRPPL.

3. Capital Work- in-Progress

(Refer Note No. 4a of the consolidated financial statements)

In the expansion phase, the company has made substantial investment in Capital work-in-progress (CWIP), which comprises projects currently under construction. The company has invested Rs. 1,444.84 Crore during F.Y. 2023-24 which compared to last year was Rs. 242.75 Crore as per consolidated financial statements for F.Y. 2022-23. Given the substantial magnitude and strategic importance of these CWIP investments, there are inherent challenges related to accurate recognition, measurement and disclosure of these assets in the financial statements.

How the matter was addressed in our audit:

Our audit procedures to assess the accounting for CWIP included the following.

1. Evaluation of the completeness and accuracy of the project cost capitalized as CWIP. This includes reviewing invoices, contracts, and other supporting documentation.
2. Ensuring the cost capitalized meets the recognition criteria as per IND AS 16 'Property, Plant and Equipment'.
3. Evaluation of effectiveness of internal controls over capitalization of project costs.
4. Reviewing the disclosure requirements for CWIP in the financial statements.

4. Investment in Lloyds Surya Private Limited (wholly owned subsidiary)

During F.Y.2023-24 Lloyds Surya Pvt. Ltd. was incorporated which is a wholly owned subsidiary of the company.

The consolidation of the books of accounts was done as per the relevant IND AS provisions by the Management.

How the matter was addressed in our audit:

Our audit procedures included obtaining the necessary documents for acquiring stake in wholly owned subsidiary and evaluating the accounting treatment done by the management for purchase consideration and consolidation of the books of accounts.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Subsidiaries in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in Holding Company and its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Subsidiaries and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Holding Company and its Subsidiaries are responsible for assessing the ability of the Holding Company and its Subsidiaries to continue as a going concern, disclosing, as

Regn. No. 11009W/W100231

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its Subsidiaries or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding Company and its Subsidiaries are responsible for overseeing the financial reporting process of the Holding Company and its Subsidiaries.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Holding Company and its Subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of Lloyds logistics Pvt. Ltd. (formerly known as Thriveni Lloyds Mining Private Limited) included in the consolidated financial statements, which reflect total assets of Rs. 1,28,23,504.17/- as at 31st March, 2024 as well as the total revenue for the period 01st April, 2023 to 31st March, 2024 is Rs. 2,09,281. The consolidated financial statements include the Subsidiary's share of net loss of Rs 11,83,385 for the year ended 31st March, 2024, as considered in the consolidated financial statement. These financial statements are audited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the Subsidiary, is based solely on such audited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters based on the financial information certified by the Management. We do not form any opinion with respect to our reliance on the work done and the reports of the Subsidiary auditors as the Subsidiary Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (As amended);

e. During our audit we did not come across any financial transaction or matters which might have an adverse effect on the functioning of the company.

f. On the basis of the written representations received from the directors of the Holding company and its Subsidiaries as on 31st March 2024 taken on record by the Board of Directors of the Holding Company and its Subsidiaries, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

g. We do not have any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.

h. In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies, the remuneration paid by the Holding and subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

i. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiaries and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and its Subsidiaries Internal Financial Controls over financial Reporting; and

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its Subsidiaries– Refer Note 42to the Consolidated Financial Statements.

ii. The Holding Company and its Subsidiaries did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

iv.

a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its Subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.

v.

a) The holding company and it's subsidiaries have not paid any dividend during the year.

b) As stated in Note No. 47 of the Consolidated financial statements, the Board of Directors of the holding company have proposed final dividend for the year which is subject to approval of the members in the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable

For **Todarwal & Todarwal LLP**
Chartered Accountants
ICAI Firm Reg

Kunal Toda
Partner
M. No.: 137804
UDIN: 24137804BJZWNR8679
Date: 2nd May, 2024
Place: Mumbai

Annexure – A to the Independent Auditors' Report
(Referred to in Paragraph 1(i) under 'Report on Other legal and Regulatory Requirement' sections of our report of even date)

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

In conjunction with our audit of the Consolidated Financial Statements of **Lloyds Metals and Energy Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its Subsidiary, as of that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Todarwal & Todarwal LLP**
Chartered Accountants
ICAI Firm Reg. No.: 111009W/W100231

Todarwal & Todarwal LLP * Regn. No. 111009W/ W100231 Chartered Accountants *

Kunal Todarwal
Partner
M. No.: 137804
UDIN: 24137804BJZWNR8679
Date: 2nd May, 2024
Place: Mumbai

Todarwal & Todarwal LLP
Chartered Accountants

Annexure - B to Independent Auditor's Report

(Referred to in Paragraph 2 under 'Report on Other legal and Regulatory Requirement' sections of our report of even date)

The 'Annexure B' referred to in Independent Auditor's Report to the Members of the Holding Company on the Consolidated Financial Statements for the year ended 31st March 2024, we report that:

(xxi) According to the information and explanation received, and based on the CARO report issued by us and the other auditors of the respective company included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the management of the Holding company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Todarwal & Todarwal LLP**
Chartered Accountants
ICAI Firm Reg. No.: 111009W/W100231

Todarwal & Todarwal LLP Regn. No. 111009W/W100231 Chartered Accountants

Kunal Todarwal
Partner
M. No.: 137804
UDIN: 24137804BJZWNR8679
Date: 2nd May, 2024
Place: Mumbai

Consolidated Balance Sheet

as at 31st March, 2024

(₹ in Crores)

Sr. No	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
ASSETS				
I	**Non-Current Assets**			
	(a) Property, Plant and Equipment	4	1,156.75	481.74
	(b) Capital Work in Progress	4(a)	1,268.15	297.87
	(c) Right to Use Assets	4(b)	77.95	50.63
	(d) Financial Assets			
	(i) Investments	5	0.04	0.04
	(e) Deferred tax assets	6	0.04	137.38
	(f) Other Non-current Assets	7	307.19	136.38
	Total Non Current Assets		**2,810.12**	**1,104.04**
II	**Current Assets**			
	(a) Inventories	8	231.09	269.75
	(b) Financial Assets			
	(i) Investments	9	29.03	36.78
	(ii) Trade Receivables	10	79.91	24.50
	(iii) Cash and Cash Equivalent	11 (i)	2.59	27.56
	(iv) Bank Balances Other than (iii) above	11 (ii)	284.54	236.98
	(v) Loans & Advances	12	1.50	25.07
	(c) Other Current Assets	13	498.76	301.35
	Total Current Assets		**1,127.42**	**921.99**
	TOTAL ASSETS		**3,937.54**	**2,026.03**
EQUITY AND LIABILITIES				
III	**Equity**			
	(a) Equity Share Capital	14	50.53	50.48
	(b) Other Equity	15	2,760.34	1,478.47
	Total Equity		**2,810.87**	**1,528.95**
IV	**Liabilities**			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Lease Liabilities	16	29.44	2.19
	(b) Provisions	17	24.89	22.56
	(c) Deferred Tax Liabilities	18	86.40	-
	Total Non Current Liabilities		**140.73**	**24.75**
V	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Lease Liabilities	19	3.69	0.61
	(ii) Trade Payables			
	a) total outstanding dues of micro enterprises and small enterprises; and	20 (i)	-	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises		395.09	74.53
	(iii) Other financial liabilities	20(ii)	-	1.57
	(b) Other Current Liabilities	21	308.39	383.49
	(c) Provisions	22	18.99	12.12
	(d) Current Tax Liabilities (Net)	23	259.78	-
	Total Current Liabilities		**985.94**	**472.32**
	TOTAL EQUITY AND LIABILITIES		**3,937.54**	**2,026.03**
	Notes forming Part of Financial Statements	1-49		

As per our Report of even date

For Todarwal & Todarwal LLP
Chartered Accountants
Firm Registration No W100231/ 111009W

Sd/-
Kunal Todarwal
Partner
Membership No 137804
UDIN : 24137804BJZWNR8679

Place : Mumbai
Date : 02nd May, 2024

For and on behalf of the Board of Directors of Lloyds Metals and Energy Limited

Sd/-
Mukesh R. Gupta
Chairman
DIN: 00028347

Sd/-
Rajesh Gupta
Managing Director
DIN: 00028379

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in Crores)

Sr. No	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
	REVENUE FROM OPERATIONS			
I	Gross Sales/ Income from Operations	24	6,521.65	3,392.31
II	Other Income	25	52.94	74.46
III	**Total Income (I+II)**		**6,574.59**	**3,466.76**
IV	**EXPENSES**			
	(a) Cost of Materials Consumed	26	540.66	504.35
	(b) Purchases of Stock-in-trade		370.23	-
	(c) Changes in inventories of finished goods, Stock-in -Trade and workin-progress	27	(18.93)	35.78
	(d) Employee Benefit Expenses	28	117.76	54.26
	(e) Finance Cost	29	5.68	65.04
	(f) Depreciation and amortization expenses	30	48.99	23.00
	(g) Mining, Royalty and Freight Expenses	31	3,239.77	1,751.64
	(h) Other Expenses	32	543.90	235.98
	Total Expenses(IV)		**4,848.06**	**2,670.04**
V	**PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**		1,726.53	796.72
VI	Exceptional Items	33	-	1,194.40
VII	**PROFIT /(LOSS) BEFORE TAX (V-VI)**		**1,726.53**	**(397.68)**
VIII	**Tax Expenses:**			
	(1) Current Tax	34	(259.78)	-
	(2) Deferred Tax Income	35	(223.82)	109.14
IX	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATION (VII-VIII)**		**1,242.93**	**(288.54)**
X	**Share of Profit / (Loss) of Joint Venture**		-	(0.01)
XI	**Profit/(loss) from discontinued operations**		-	-
XII	**Tax expenses of discontinued operations**		-	-
XIII	**Profit/(loss) for the period (after tax) (IX-X-XI)**		**1,242.93**	**(288.55)**
XIV	**OTHER COMPREHENSIVE INCOME**			
	(a) (i) Items that will be reclassified subsequently to the statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		-	-
	(b) (i) Items that will not be reclassified subsequently to the statement of profit and loss		2.75	2.07
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		**2.75**	**2.07**
XV	**Total Comprehensive Income for the period (XIII+XIV)**		**1,245.68**	**(286.48)**
XVI	**Earnings per equity share (for discontinued operation):**		-	-
XVII	**Earning per equity share (for discontinued & continuing operation)**			
	(1) Basic (in ₹)	41	**24.62**	**(6.53)**
	(2) Diluted (in ₹)		**24.43**	**(4.74)**
	Notes forming Part of Financial Statements	**1-49**		

As per our Report of even date

For Todarwal & Todarwal LLP
Chartered Accountants
Firm Registration No W100231/ 111009W

Sd/-
Kunal Todarwal
Partner
Membership No 137804
UDIN : 24137804BJZWNR8679

Place : Mumbai
Date : 02nd May, 2024

For and on behalf of the Board of Directors of Lloyds Metals and Energy Limited

Sd/-
Mukesh R. Gupta
Chairman
DIN: 00028347

Sd/-
Rajesh Gupta
Managing Director
DIN: 00028379

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Consolidated Cash Flow Statement

for the year ended 31st March, 2024

(₹ in Crores)

Sr. No	Particulars	For the year ended 31st March 2024 (Audited)	For the year ended 31st March 2023 (Audited)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax	1,726.53	(397.72)
	Adjustments for:		
	Depreciation	48.99	23.01
	Expense on Employee Stock Option Scheme (ESOP)	35.98	6.78
	(Profit) / Loss on disposal of Property, Plant and equipment	0.27	3.66
	(Profit) / Loss on sale of share or investment	(19.82)	-
	Interest/Dividend Income	(23.11)	(12.35)
	Interest & Financial Charges	5.68	5.98
	Operating Profit Before Working Capital Changes	**1,774.52**	**(368.57)**
	Change in operating assets and liabilities		
	(Increase)/Decrease in Non-current/current financial and other assets	(169.84)	(271.45)
	(Increase)/Decrease in Inventories	38.66	(102.91)
	Increase/(Decrease) in Non-current/current financial and other liabilities/provisions	285.03	229.71
	Cash Generated from Operations	**1,928.36**	**(513.19)**
	Direct Taxes (Paid)/ Net of Refunds	(227.33)	(3.25)
	Net cash inflow (outflow) from operating activities (A)	**1,701.04**	**(516.44)**
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Property, Plant & Equipment	(724.01)	(99.63)
	Right to Use Account	(26.40)	-
	(Increase)/Decrease on Fixed Deposits	(47.55)	(228.84)
	(Increase)/Decrease on Current Investment	19.82	(0.01)
	(Increase)/Decrease on Investment in Subsidiaries	(0.10)	-
	Sale of Property, Plant & Equipment	-	(1.50)
	Interest/Dividend Received	23.11	4.93
	(Increase)/Decrease in Capital WIP	(970.28)	(287.22)
	Net cash inflow (outflow) from investing activities (B)	**(1,725.41)**	**(612.27)**
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest & Financial Charges	(0.79)	(66.09)
	Proceeds from issue of Shares from ESOP (incl Share Premium)	0.17	1,292.62
	Proceeds from issue of Share warrant money	-	15.63
	Proceeds from issue of Optionally Fully Convertible Debentures	-	(2.39)
	(Repayment) of Borrowing	-	(74.97)
	Dividend Paid	-	(22.24)
	Net cash inflow /(outflow) from financing activities (C)	**(0.62)**	**1,142.53**
	Net Increase /(Decrease) in Cash & Cash Equivalents (A+B+C)	**(25.00)**	**13.83**
	Cash & Cash Equivalents as at the beginning of Year	27.58	13.76
	Cash & Cash Equivalents as at the end of Year	2.59	27.58
	Net Increase / (Decrease) in Cash & Cash Equivalents	**(25.00)**	**13.83**
	Components of Cash and Cash equivalents		
	(a) Cash on Hand	0.03	0.02
	(b) Balance with Schedule Bank in : Current account	2.56	27.57
	Total cash and Cash Equivalents	**2.59**	**27.58**

As per our Report of even date

For Todarwal & Todarwal LLP
Chartered Accountants
Firm Registration No W100231/ 111009W

Sd/-
Kunal Todarwal
Partner
Membership No 137804
UDIN : 24137804BJZWNR8679

Place : Mumbai
Date : 02nd May, 2024

For and on behalf of the Board of Directors of Lloyds Metals and Energy Limited

Sd/-
Mukesh R. Gupta
Chairman
DIN: 00028347

Sd/-
Rajesh Gupta
Managing Director
DIN: 00028379

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Consolidated Statement of Change in Equity

for the year ended 31st March, 2024

A. EQUITY SHARE CAPITAL

(1) Current reporting period

(₹ in Crores)

Balance as at 1st April, 2023	Changes during the FY 2023-24	Balance as at 31st March, 2024
50.48	0.04	50.53

(2) Previous reporting period

(₹ in Crores)

Balance as at 1st April, 2022	Changes during the FY 2022-23	Balance as at 31st March, 2023
36.87	13.61	50.48

B. OTHER EQUITY

(1) Current reporting period

	Reserves and Surplus								
Particular	Money received against share warrants	Equity Component of Optionally Fully convertible Debentures Fully convertible Debentures	Capital Reserve	Securities Premium	SBP Reserve	Retained Earnings	Other items of Other Comprehensive Income (Gratuity and Leave encashment)	Money received against share warrants	Total
Balance as at 01st April, 2023	-	-	77.79	1,508.04	7.29	(117.82)	3.16	-	1,478.48
Profit for the Year	-	-	-		-	1,242.93	-	-	1,242.93
Other Comprehensive Income for the year	-		-		-	-	2.75	-	2.75
Total Comprehensive Income for the current year	**-**	**-**	**77.79**	**1,508.04**	**7.29**	**1,125.11**	**5.91**	**-**	**2,724.16**
Issue/Conversion of Equity Shares	-	-	-	5.82	30.29	-		-	36.11
Shares Forfeiture	-	-	-	-	-	-	-	-	0.00
Balance as at 31st March, 2024	**-**	**-**	**77.79**	**1,513.86**	**37.58**	**1,125.11**	**5.91**	**-**	**2,760.34**

* Nil Dividend paid during the year ended Mar 31, 2024

Consolidated Statement of Change in Equity

for the year ended 31st March, 2024

(2) Previous reporting period

Particular	Reserves and Surplus								
	Money received against share warrants	Equity Component of Optionally Fully convertible Debentures Fully convertible Debentures	Capital Reserve	Securities Premium	SBP Reserve	Retained Earnings	Other items of Other Comprehensive Income (Gratuity and Leave encashment)	Money received against share warrants	Total
Balance as at 01st April, 2022	15.63	2.39	77.61	212.87	0.52	134.47	1.09	-	444.58
(Loss) for the Year	-	-	-	-	-	(288.54)	-	-	(288.54)
Other Comprehensive Income for the year	-	-	-	-	-	-	2.07	-	2.07
Total Comprehensive Income for the previous year	**15.63**	**2.39**	**77.61**	**212.87**	**0.52**	**(154.07)**	**3.16**	**-**	**158.11**
Dividends	-	-	-		-	(22.24)	-	-	(22.24)
Issue/Conversion of Equity Shares	(15.63)	(2.39)	-	1,295.17	6.78	58.49	-	-	1,342.42
Share Forfeiture	-	-	0.17	-	-	-	-	-	0.17
Balance as at 31st March, 2023	**-**	**-**	**77.79**	**1,508.04**	**7.29**	**(117.82)**	**3.16**	**-**	**1,478.47**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

1. COMPANY INFORMATION

Lloyds Metals and Energy Limited (The Company) was incorporated in 1977 having its registered office at Plot No. A 1-2, MIDC Area, Ghugus, Chandrapur - 442505, Maharashtra State. The Company is listed in BSE Limited (BSE) & National Stock Exchange (NSE).

The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron, Generation of Power and Trading of Pellets.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 2, 2024.

Basis of Consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation

i) These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement. "

ii) Historical cost convention the financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Chief Financial Officer as chief operating decision maker. Refer Note 44 for segment information presented.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

d) Foreign currency transaction

i) Functional and presentation currency: Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (₹), which is the Company's functional and presentation currency.

ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the period/year are translated at the period/ year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

Forward exchange contracts entered into, to hedge foreign currency risk of an existing asset/ liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

e) Revenue Recognition

The Company recognizes revenue in accordance with Ind- AS 115. Revenue is recognised upon transfer of control of promised goods to customers i.e., when the performance obligation gets fulfilled in an amount that reflects the consideration which the company expects to receive in exchange for that particular performance obligation.Revenue is measured based on the transaction price, which is the net of variable consideration, adjusted for discounts, price concessions, and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Sale of Goods

Revenue from the sale of manufactured and traded goods is recognised when significant risks and rewards of ownership of goods have been transferred, effective control over the goods no longer exists with the Company, amount of revenue / costs in respect of the transactions can reliably be measured and probable economic benefits associated with the transactions will flow to the Company.

Other Revenue

Customs Duty

Customs Duty/incentive entitlement as and when eligible is accounted on accrual basis. Accordingly, import duty benefits against exports effected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty-free imports of raw material yet to be made.

Interest Income

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

Other Income/Miscellaneous Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

f) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

they are intended to compensate and presented within other income.

Government assistance to entities meets the definition of government grants in Ind AS 20, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

g) Taxes

Income tax expenses comprise current tax expense and the net changes in the deferred tax asset or Liability during the year. Current & deferred taxes are recognized in the statement of Profit & Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current & deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) Current income tax

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax at the prescribed percentage on the adjusted book profits of a year, when Income Tax Liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115JA.

ii) Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred Tax Liability are genrally recognised for all taxable temporary difference. In contrast, Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. However, if these are unabsorbed depreciation, carry forward losses and items relating to capital losses, deferred tax assets are recognised when there is reasonable certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable that such unutilized tax credits will get realized.

The unrecognized deferred tax assets/ carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis. Ref. Note No.34

h) Leases

The Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.Subsequently, right-of-use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head “Financial Liabilities”. Right-of-use asset is depreciated over the useful life of the asset, if the lessor transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 - ‘Leases’. This standard is effective from1st April, 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Ind AS 116 - Leases amends the rules for the lessee’s accounting treatment of operating leases. According to the standard all operating leases (with a few exceptions) must therefore be recognized in the balance sheet as lease assets and corresponding lease liabilities. The lease expenses, which were recognised as a single amount (operating expenses), will consist of two elements: depreciation and interest expenses. The standard has become effective from 2019 and the Company has assessed the impact of application of Ind AS 116 on Company’s financial statements and provided necessary treatments and disclosures as required by the standard (Refer Note No 39).

i) Impairment of assets

The impairment of assets depends on whether there has been a significant increase in the credit risks since initial recognition. Accordingly, the Company deals with providing for impairment of loss. In case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

j) Inventories

The general practice adopted by the company for valuation of inventory is as under:

i) Raw Materials - *At lower of cost and net realizable value.

ii) Stores and spares - At cost

iii) Work-in-process/semi-finished goods - At material cost plus labour and other appropriate portion of production and administrative overheads and depreciation

iv) Finished Goods/Traded Goods - At lower of cost and net realizable value.

v) Finished Goods at the end of trial run - At net realizable value.

vi) Scrap material - At net realizable value.

vii) Tools and equipments - At lower of cost and disposable value.

*Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

k) Cash and cash equivalents

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

l) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expenses in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

measurement categories into which the Company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. However, where the impact of discounting / transaction costs is significant, the amortised cost is measured using the effective interest rate ('EIR') method. Interest income from these financial assets is included in Other Income.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, the same are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Ref Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) Derecognition of financial assets

Financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flow from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

m) Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their nature. The costs of the Company are broadly categorized in to material consumption, cost of trading goods, employee benefit expenses, depreciation and amortization, other operating expenses and finance cost. Employee benefit expenses include employee compensation, gratuity, leave encashment, contribution to various funds and staff welfare expenses. Other expenses broadly comprise manufacturing expenses, administrative expenses and selling and distribution expenses.

n) Derivatives

The derivative contracts to hedge risks which are not designated as hedges are accounted at fair value through profit or loss and are included in the profit and loss account.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized 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 Company or the counterparty.

Financial Assets

Initial Recognition

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

p) Property, plant and equipment

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE are initially measured at cost of acquisition/ construction including decommissioning or restoration cost wherever required. Cost of land includes expenditures which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons etc.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any in accordance with Ind-AS 16. The Company reviews the fair value with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value.

Cost excludes Input credit under GST and such other taxes which can utilize against GST liabilities and other refundable taxes. Depreciation on assets is claimed on such ‘reduced’ cost. All items of repairs and maintenance are recognized in the statement of profit and loss, except those meet the recognition principle as defined in Ind-AS 16. Any revaluation of an asset is recognized in other comprehensive income and shown as revaluation reserves in other equity

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation/Amortization methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on a pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortized over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

q) Intangible assets

i) Recognition

Intangible assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortized over their useful life. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

ii) Amortization methods and periods

The Company amortized intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortized over a period of three years.

iii) Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Financial Liabilities

Initial Recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Recognition

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees Paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, there is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as defined in Ind-AS 23 are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Any related foreign currency fluctuations on account of qualifying asset under construction is capitalized and added to the cost of asset concerned. Other borrowing costs are expensed as incurred.

u) Employee benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

yields at the end of the reporting period that have terms approximating to the terms of the related obligations.

Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and superannuation fund.

(c) Defined benefit plans such as Leave encashment.

Gratuity & Leave Encashment obligations

The liability or assets recognized in the balance sheet in respect of gratuity & Leave Encashment plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailment are recognized immediately in profit or loss.

iv) Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expenses when they are due.

v) Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black- Scholes model. In case the options are granted to employees of the company, the fair value determined at the grant date is expensed on a straight line basic over the vesting period, based on the Company's estimate of options that will eventually vest, with a corresponding increase in equity.

vi) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x) Earnings per share

i) Basic earnings per share: Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company.
- By the weighted average number of equity shares outstanding during the financial year.

ii) Diluted earnings per share: Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Custom duty and its benefits

Customs Duty payable on imported raw materials, components and stores and spares is recognized to the extent assessed by the customs department.

Customs duty entitlement eligible under passbook scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports affected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

z) The Treatment of expenditure during construction period

All expenditure and interest cost during the project construction period, are accumulated and shown as Capital Work-in- Progress provided they meet the recognisition criteria as per IND AS 16 until the project/ assets commences commercial production. Assets under construction are not depreciated. Expenditure/Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress.

aa) Fair value measurement"

The Company reviews the fair value of Land with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant absorbable inputs and minimizing the use of un-absorbable inputs. External valuers are appointed for valuing land. The selection criteria for these valuers include market knowledge, reputation, independence and whether professional standards are maintained.

ab) Amortization of expenses

Equity Issue expenses: Expenditure incurred in equity issue is being treated as Deferred and Revenue Expenditure to be amortized over a period of 10 years; Debenture Issue Expenses: Debenture

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Issue expenditure is amortized over the period of 10 years."

Deferred Revenue Expenses: Deferred Revenue expenses are amortized over a period of 5 years.

ac) Research and development expenses

Research and Development costs (other than cost of fixed assets acquired) are expensed in the year in which they are incurred.

ad) Investment in Associates

Investments in associates are recognized at cost. The company provides for any permanent diminution, if any, in value of such investment.

ae) Accounting for Provisions, Contingent Liabilities & Contingent Assets

In conformity with Ind-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI. A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in financial statements.

af) Provision for doubtful debts

The Management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

ag) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

3. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of Investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Mine Closure, Site Restoration and Decommissioning Obligation

The Company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

of India. The Company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work. Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be incurred to settle the obligation. The Company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life. The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE: 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount	
	As at 1st April, 2023	Additions	Deletions	As at 31st March 2024	As at 1st April, 2023	For the Year	On disposals	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Owned Assets										
Land	10.04	4.49	0.02	14.51	-	-	-	-	14.51	10.04
The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron and generation of Power.	66.56	-	-	66.56	2.78	4.26	-	7.04	59.52	63.78
Factory Building & Site Development	57.54	174.84	-	232.38	15.70	7.54	-	23.24	209.14	41.84
Residential Building: Housing Complex	7.84	-	-	7.84	5.60	0.41	-	6.01	1.84	2.25
Mining Road	4.99	-	-	4.99	3.56	0.95	-	4.51	0.48	1.43
Plant and Machinery	492.50	473.70	0.82	965.38	279.10	1.49	-	280.59	684.79	213.40
Plant and Machinery- Power	196.76	-	-	196.76	68.42	24.00	0.71	91.71	105.06	128.35
Furniture & Fixture	4.77	3.01	0.24	7.54	1.78	0.48	0.23	2.03	5.52	3.00
Motor Vehicles	8.90	38.91	1.00	46.81	3.02	3.00	0.66	5.36	41.44	5.87
Office Equipments	2.77	4.44	0.52	6.69	0.99	0.65	0.48	1.16	5.53	1.78
Computers	2.80	20.40	0.05	23.15	1.66	1.26	0.04	2.88	20.27	1.14
Site restoration Cost	7.36	-	-	7.36	0.21	0.21	-	0.42	6.94	7.15
Assets Taken on Lease										
Leasehold Land	1.71	-	-	1.71	-	-	-	-	1.71	1.71
Total - Property, Plant and Equipment	**864.55**	**719.79**	**2.65**	**1,581.69**	**382.81**	**44.25**	**2.12**	**424.94**	**1,156.75**	**481.74**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Note 4a): Non Current Assets: Capital in progress

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance as at the beginning of the year	**297.87**	**85.88**
Add: Addition during the year	1,444.84	242.75
Less: Capitalisation during the year	474.56	30.76
Balance as at the end of the year	**1,268.15**	**297.87**

CWIP aging schedule

Ageing for Capital – Work – in – Progress as at March 31, 2024 is as follows

(₹ in Crores)

Particulars	Upto 1 year	1 Year to 2 Year	2 Year to 3 Year	>3 Year	Total
Steel Division	464.95	162.93	-	-	627.88
Surjagarh Mining	35.80	20.33	-	-	56.13
Konsari Project	477.59	106.55	-	-	584.14
Total	**978.34**	**289.81**	**-**	**-**	**1,268.15**

CWIP aging schedule

Ageing for Capital – Work – in – Progress as at March 31, 2023 is as follows

(₹ in Crores)

Particulars	Upto 1 year	1 Year to 2 Year	2 Year to 3 Year	>3 Year	Total
Steel Division	94.72	45.75	37.16	-	177.63
Surjagarh Mining	13.20	-	-	-	13.20
Konsari Project	105.55	1.36	0.03	-	106.94
Total	**213.47**	**47.11**	**37.19**	**-**	**297.87**

Note 4b): Right to Use Assets

The estimated impact of Ind AS 116 on the Company's financial statements at 31 March 2024 is as follows:

The details of the right-of-use assets held by the Company as on 31st March, 2024 is as follows:

The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron and generation of Power.

(₹ in Crores)

Particular	Additions for year ended 31st March'2024	Net carrying amount as at 31st March'2024	Additions for year ended 31st March'2023	Net carrying amount as at 31st March'2023
Building	24.72	31.26	9.94	2.71
Security Deposit	0.21	46.70	48.28	47.92
Total	**24.93**	**77.95**	**58.22**	**50.63**

Expenses/ (Income) on right of use assets are as follows:

(₹ in Crores)

Particular	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Depreciation on Building	3.31	0.49
Depreciation on Security Deposit	1.43	0.35
Interest on Lease Liabilities	3.44	0.77
Interest on Security Deposit (Income)	(0.23)	(0.05)
Total	**7.95**	**1.56**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 5 : INVESTMENTS- NON CURRENT

(₹ in Crores)

		Particulars	As at 31st March, 2024	As at 31st March, 2023
(1)	**Investment in Wholly- Owned Subsidiaries (unquoted - fully paid up)**			
	i)	**Lloyds Logistics Private Limited***	-	-
		(Previously known as Thriveni Lloyds Mining Private Limited.)		
		10,000 Equity Shares of ₹. 10/- Each		
		(Previous Year 10,000 Equity Shares of ₹ 10 Each)		
	(ii)	**Lloyds Surya Private Limited****	-	-
		10,00,000 Equity Shares of ₹. 1/- Each		
		(Previous Year Nil)		
	iii)	**Lloyds Infinite Foundation**	0.01	0.01
		10,000 Equity Shares of ₹. 10/- Each		
		(Previous Year 10,000 Equity Shares of ₹ 10 Each)		
	Total investment in subsidiaries (A)		**0.01**	**0.01**
(2)	**Equity Investments in other Companies (unquoted - fully paid up)**			
	i)	**Shine Trade & Properties Developers Private Limited**		
		(Previously known as Gadchiroli Metals & Minerals Ltd.)		
		19,000 Equity Shares of ₹ 10/- Each (Previous Year 19,000 Equity Shares of ₹ 10 Each)	0.02	0.02
	ii)	**Vimala Infrastructure Private Limited**	0.01	0.01
		(500 Equity Shares of ₹ 10/- Each)		
		(Previous Year 500 Equity Shares of ₹ 10 Each and share premium ₹.240/- each)		
	iii)	**Punjab & Maharashtra Co-op. Bank Limited**	0.10	0.10
		40,000 Equity Shares of ₹ 25/- Each		
		(Previous Year 40,000 Equity Shares of ₹ 25/- Each)		
	Total Investment in Equity Shares (B)		**0.14**	**0.14**
	Less: Provision for Diminution of value of Investments		0.10	0.10
	Total - Non Current Investments (C= A+B)		**0.04**	**0.04**

* Lloyds Logistics Pvt Ltd (Formerly known as Thriveni Lloyds Mining Pvt Ltd) has became a 100% Wholly-Owned Subsidiary of the Company w.e.f. 20th January, 2023 earlier it was the joint venture till 19th January, 2023 with 40% shareholding amount to ₹ 40,000.

** Lloyds Surya Private Limited which is a 100% Wholly-Owned Subsidiary of the Company has been incorprated during the Year.

Aggregate value of quoted and unquoted investments is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Aggregate value of unquoted investments (net of impairment)	0.04	0.14
Aggregate value of impairment of investments	0.10	0.10

NOTE 6 : DEFERRED TAX ASSET

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Asset		
Deferred Tax Asset (Ref. Note No.35)	0.04	137.38
Total - Deferred Tax Asset	**0.04**	**137.38**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Security Deposits	27.05	36.32
Capital Advances	280.14	100.06
Total Other Non Current Assets	**307.19**	**136.38**

NOTE 8 : INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Raw Materials	46.39	37.50
(b) Work-in-Progress	0.60	0.59
(c) Finished Goods	20.28	86.59
(d) Stores and Spares	70.73	133.16
(e) Saleable Scrap & By products	25.46	6.57
(f) Traded Goods	63.59	-
(g) Intangible Inventory - Energy Saving certificate (CER's)	4.05	5.33
Total - Inventories	**231.09**	**269.75**

NOTE 9 : INVESTMENTS- CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investment designated at fair value through profit and loss		
Investment in Shares (Quoted shares)	29.03	36.78
Total - Current Investment	**29.03**	**36.78**

Aggregate value of quoted and unquoted investments is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Aggregate value of quoted investments	29.03	36.79
Aggregate market value of quoted investments	29.03	36.79
Diminishing Value in quoted investments	(1.18)	6.66

NOTE 10 : TRADE RECEIVABLES - CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, Considered Good		
Trade Receivables	79.91	24.50
Total - Trade Receivables	**79.91**	**24.50**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

TRADE RECEIVABLES AGEING SCHEDULE

(₹ in Crores)

Current outstanding as on 31.03.2024		Outstanding for following periods from the date of transaction					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(a)	Undisputed Trade receivables — considered good	74.94	3.54	1.43	-	-	79.91
(b)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(c)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(d)	Disputed Trade Receivables—considered good	-	-	-	-	-	-
(e)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(f)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total - Trade Receivables		**74.94**	**3.54**	**1.43**	**-**	**-**	**79.91**

TRADE RECEIVABLES AGEING SCHEDULE

(₹ in Crores)

Current outstanding as on 31.03.2023		Outstanding for following periods from the date of transaction					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(a)	Undisputed Trade receivables — considered good	22.99	1.52	-	-	-	24.51
(b)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(c)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(d)	Disputed Trade Receivables—considered good	-	-	-	-	-	-
(e)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(f)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total - Trade Receivables		**22.99**	**1.52**	**-**	**-**	**-**	**24.51**

NOTE 11 : (I) CASH AND CASH EQUIVALENTS

(₹ in Crores)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
I	**Balances with Banks**		
	In Current Accounts	2.27	27.25
	Bank Deposits with original maturity of three months or less		
	Cash in hand	0.03	0.02
II	**Other Bank Balance**		
	Earmarked Balances with Bank*	0.29	0.29
Total - Cash and Cash Equivalents		**2.59**	**27.56**

*Note: Earmarked Balance with banks pertains to Unclaimed Dividend

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 11 : (II) OTHER BALANCES WITH BANKS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other Bank Balances		
Balance held in Bank as Fixed Deposits*	284.54	236.98
Total - Other Balances with Banks	**284.54**	**236.98**

* Include FDR maintained against Bank Guarantees ₹. 57.46 Crs. (Previous year ₹.46.98 Crs.)

NOTE 12 : LOAN & ADVANCES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loan & Advances	1.50	25.07
Total - Loan & Advances	**1.50**	**25.07**

NOTE 13 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other than Capital Advance		
i) Advance to Suppliers	76.91	119.73
ii) Prepaid Expenses	11.31	9.63
iii) Advance to Others	0.67	0.82
iv) Interest Receivable	6.25	1.20
v) Balance Receivable from Govt. Authorities	172.68	166.36
vi) Advance Tax/TDS Receivable	230.90	3.58
vii) Balance Receivable against NSC	0.04	0.04
Total - Other Current Assets	**498.76**	**301.35**

NOTE 14 : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
AUTHORIZED		
Equity Shares:		
75,00,00,000 Equity Shares of ₹ 1/- Each	75.00	75.00
(Previous year 75,00,00,000 Equity shares of ₹ 1/- each)		
Preference Shares :		
2,50,00,000 Preference Shares of ₹ 10/- each	25.00	25.00
(Previous year 2,50,00,000 Preference Shares of ₹ 10/- each)		
Total	**100.00**	**100.00**
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
Equity Shares:		
50,48,24,220 Equity Shares of ₹ 1/- each	50.48	36.87
(Previous year 36,87,19,220 Equity Shares of ₹ 1/- each)		
Add : 4,29,315 Equity Shares of ₹ 1/- each	0.04	13.61
(Previous year 13,61,05,000 Equity Shares of ₹ 1/- each)		
Total - Equity Share Capital	**50.53**	**50.48**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

A. During previous year, the Company has converted 6,60,00,000 Convertible Warrants into Equity Shares of face value of ₹. 1/- each at a premium of ₹ 8.47/- each, The said convertible warrants were allotted on the terms that they shall be convertible (at the sole option of the warrant holder) at any time within a period of 18 months from the date of allotment of convertible warrants in the ratio of 1:1 issued at par via Preferential Allotment to the listed below company :

S. No.	Name of the Allottees ("Warrant holders)	No. of convertible warrants allotted
1	Sky United LLP	52,800,000
2	Blossom Trade & Interchange LLP	13,200,000
		66,000,000

B. During the previous year, the Company has converted 1,00,00,000 Optionally Fully Convertible Debentures ("OFCD's") into Equity Shares of face value of ₹. 1/- each at a premium of ₹ 19/- each in the conversion ratio of 1:1, issued at par via Preferential Allotment to Thriveni Earthmovers Private Limited ("TEMPL" /"Thriveni"). The said allotted is a co-promoter of the Company.

C. The Company has allotted 4,29,315 (Previous Year 1,05,000) Equity Shares to the Lloyds Employees Welfare Trust under Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017.

D. The Company had allotted 6,00,00,000 OFCD's to Sunflag Iron and Steel Co Limited ("Sunflag") pursuant to Arbitration Award dated 22nd April, 2022 and an Additional / Supplementary Arbitration Award dated 28th April, 2022. Pursuant to the conversion letter received from Sunflag the said allotted 6,00,00,000 OFCD's have been converted into 6,00,00,000 Equity Shares in the ratio of 1:1.

Shares held by promoters at the end of the year

Sr. No	Name of the Promoter	Shares held by Promoters				% Change during the year
		At March 31, 2024		At March 31, 2023		
		No. of Shares	% of total shares	No. of Shares	% of total shares	
i)	Ravi Agarwal	11,730,000	2.32%	11,730,000	2.32%	0.00%
ii)	Mukesh R Gupta	707,300	0.14%	707,300	0.14%	0.00%
iii)	Renu R Gupta	1,204,420	0.24%	1,204,420	0.24%	0.00%
iv)	Abha M Gupta	669,540	0.13%	669,540	0.13%	0.00%
v)	Dipti Akhil Mundhra	500,000	0.10%	500,000	0.10%	0.00%
vi)	Rajesh R Gupta	1,208,460	0.24%	1,208,460	0.24%	0.00%
vii)	Madhur Rajesh Gupta	9,600,000	1.90%	9,600,000	1.90%	0.00%
viii)	Priyanka Rajesh Gupta	500,000	0.10%	500,000	0.10%	0.00%
ix)	Shreekrishna M Gupta	9,602,000	1.90%	9,602,000	1.90%	0.00%
x)	Lloyds Enterprises Limited (Formerly known as Shree Global Tradefin Ltd)	15,738,338	3.11%	15,738,338	3.12%	0.00%
xi)	Crosslink Food And Farms Pvt Ltd (Merged ASP Technologies Pvt Ltd & Triumph Trade & Properties Developers Pvt Ltd)	65,558,548	12.98%	65,558,548	12.99%	-0.01%
xii)	Lloyds Metals And Minerals Trading LLP	35,741,529	7.07%	35,741,529	7.08%	-0.01%
xiii)	Sky United LLP	65,954,638	13.05%	65,954,638	13.06%	-0.01%
xiv)	Thriveni Earthmovers Private Limited	100,005,501	19.79%	100,005,501	19.81%	-0.02%
xv)	Blossom Trade And Interchange LLP	13,200,000	2.61%	13,200,000	2.61%	0.00%
		331,920,274	**65.69%**	**331,920,274**	**65.75%**	**-0.06%**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

(A) Reconciliation of number of shares:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount in Crores	Number of shares	Amount in Crores
Equity Shares				
At the beginning of the year	504,824,220	50.48	368,719,220	36.87
Issued During The Year	429,315	0.04	136,105,000	13.61
Outstanding at the end of the year	**505,253,535**	**50.53**	**504,824,220**	**50.48**

(B) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹1/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 1/- each fully paid-up				
Thriveni Earthmovers Private Limited	100,005,501	19.79%	100,005,501	19.81
Sky United LLP	65,954,638	13.05%	65,954,638	13.06
Sunflag Iron and Steel Co. Limited	60,000,000	11.88%	60,000,000	11.89
Crosslink Food and Farms Private Limited (Merged ASP Technologies Pvt Ltd & Triumph Trade & Properties Developers Pvt Ltd)	65,558,548	12.98%	65,558,548	7.21
Lloyds Metals and Minerals Trading LLP	35,741,529	7.07%	35,741,529	7.08
Clover Media Private Limited	-	0.00%	26,328,495	5.22

NOTE 15 : OTHER EQUITY

(₹ in Crores)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
Reserves and surplus			
(a)	**Capital Reserve**		
	Opening Balance	77.79	77.61
	Movement during the year	-	0.17
	Closing Balance (A)	**77.79**	**77.79**
(b)	**Share premium**		
	Opening Balance	1,508.04	212.87
	Add: Received on conversion Warrants	-	55.90
	Add: Received on conversion OFCD	-	1,239.10
	Add: Received on issue of ESOP	5.82	0.17
	Closing Balance (B)	**1,513.86**	**1,508.04**
(c)	**Share Warant application money**		
	Opening Balance	-	15.63
	Transfer to Equity shares	-	(15.63)
	Closing Balance (C)	**-**	**-**
(d)	**Equity Component of Optionally Fully convertible Debentures**		
	Opening Balance	-	2.39
	Transfer to Equity shares	-	(2.39)
	Closing Balance (D)	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(e)	**Retained Earnings**		
	Opening Balance	(117.82)	134.47
	Add: Transfer from SBP Reserve	-	0.44
	Add: OFCD Interest on Early settlement	-	58.05
	Add: Profit for the year	1,242.93	(288.54)
	Less: Dividend for the year 2021-22	-	(22.24)
	Closing Balance (E)	**1,125.11**	**(117.82)**
(f)	**Other Comprehensive Income (OCI)**		
	As per last Financial Statement	3.16	1.09
	Add: Movement in OCI (Net) during the year	2.75	2.07
	Closing Balance (F)	**5.91**	**3.16**
(g)	**Share Based Payment Reserve**		
	As per last Financial Statement	7.29	0.52
	Add: Movement during the year	35.98	6.91
	Less : Transfer to Share premium	(5.69)	(0.14)
	Closing Balance (G)	**37.58**	**7.29**
Total - Other Equity (H= A+B+C+D+E+F+G)		**2760.34**	**1478.47**

NOTE 16 : LEASE LIABILITY - NON CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease liability	29.44	2.19
Total - Lease Liability	**29.44**	**2.19**

NOTE 17 : PROVISIONS - LONG TERM

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Unfunded Gratuity Liability (Refer Note No. 36)	14.03	13.46
Unfunded Compensated Absences Liability	2.35	1.19
Site Restoration Mines	8.51	7.92
Total - Long Term Provisions	**24.89**	**22.56**

NOTE 18 : DEFERRED TAX LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities		
Deferred Tax Liabilities(Ref. Note No.35)	86.40	-
Total - Deferred Tax Liabilities	**86.40**	**-**

NOTE 19 : LEASE - CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease liability	3.69	0.61
Total - Lease Liability	**3.69**	**0.61**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 20 (I) : TRADE PAYABLES - CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Micro, Small and Medium Enterprises (Refer note no. 20(i)(a))	-	-
Dues to creditors other than Micro, Small and Medium Enterprises	395.09	74.53
Total - Trade Payables	**395.09**	**74.53**

The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron and generation of Power.

TRADE PAYABLES AGING SCHEDULE

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Aging schedule as on 31.03.2024					
(i) MSME	-	-	-	-	-
(ii) Others	394.55	0.54	-	-	395.09
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total - Trade Payable	**394.55**	**0.54**	**-**	**-**	**395.09**

TRADE PAYABLES AGING SCHEDULE

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Aging schedule as on 31.03.2023					
(i) MSME	-	-	-	-	-
(ii) Others	74.43	0.03	0.04	0.02	74.53
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total - Trade Payable	**74.43**	**0.03**	**0.04**	**0.02**	**74.53**

Note no. 20(i)(a): There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2024 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

NOTE 20 (II) : OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Maturity of long term debts - Unsecured- (Other Statutory Liabilities)	-	1.57
Total - Other Financial Liabilities	**-**	**1.57**

NOTE 21 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, GST etc.)	12.30	12.97
(b) Advances from Customers	159.73	305.99
(c) Overdraft from Bank	128.48	61.40
(d) Other payables	0.36	0.02
(e) Salaries and Wages payable	7.53	3.11
Total - Other Current Liabilities	**308.39**	**383.49**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 22 : PROVISIONS -CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits	-	-
Unfunded Gratuity & Compensated absences	1.50	1.92
Provision for Expenses	17.49	10.20
Total - Provisions	**18.99**	**12.12**

NOTE 23 : CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Current Tax (Refer Note 34)	259.78	-
Total - Current Tax Liabilities (Net)	**259.78**	**-**

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Sale of Products		
Finished Goods	6,016.71	3,276.91
Power Sales	121.21	66.12
Traded Goods	343.09	-
Other Operating Revenues	40.64	49.28
Total - Revenue from Operations	**6,521.65**	**3,392.31**

NOTE 25 : OTHER INCOME

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest Income	21.39	5.67
Other Non-Operating Income	6.82	10.71
Profit on Sale of Asset	0.12	-
Industrial Promotion Subsidy Refund	-	36.91
Duty Drawback	3.00	-
Dividend Income	1.73	0.02
Profit on sale of share or investment	19.82	7.24
Sundry Balance Written back	0.08	13.90
Total - Other Income	**52.94**	**74.46**

NOTE 26 COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a) Iron Ore/Pellet	257.71	96.36
(b) Coal	279.91	404.91
(c) Dolomite	3.04	3.09
Total - Cost of Material Consumed	**540.66**	**504.35**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crores)

Particulars			For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a)	Opening inventory:			
	(i)	Finished Goods	86.59	37.56
	(ii)	Saleable Scrap & By products	6.57	18.46
	(iii)	Work-in-Process	0.59	76.49
	(iv)	Traded Goods	5.33	2.34
	Total (a)		**99.08**	**134.86**
(b)	Closing inventory:			
	(i)	Finished Goods	20.28	86.59
	(ii)	Saleable Scrap & By products	25.46	6.57
	(iii)	Work-in-Process	0.60	0.59
	(iv)	Traded Goods	71.68	5.33
	Total (b)		**118.01**	**99.08**
Total (a-b)			**(18.93)**	**35.78**

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Salaries and Wages	64.47	29.79
Contributions to Provident and other Funds	3.05	1.48
Expense on Employee Stock Option Scheme (ESOP) (Refer Note No.43)	35.98	7.35
Staff Welfare Expenses	6.50	1.97
Gratuity & Leave Encashment Expenses (Refer Note No. 36)	4.03	13.03
Remuneration to Managing Director	3.74	0.64
Total - Employee Benefit Expenses	**117.76**	**54.26**

NOTE 29 : FINANCE COSTS

(₹ in Crores)

Particulars		For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest Expense:			
(i)	Fixed Loans	-	4.87
(ii)	Others*	5.18	59.05
Other Finance Charges		0.50	1.11
Total - Finance Cost		**5.68**	**65.04**

*In previous year, other finance cost includes OFCD Interest ₹ 56.60 Crores for the FY22-23, as per the reporting compliance of IND AS. There is no cash outflow for the Company as the amount is being paid by way of 0% Optionally Fully Convertible Debentures (OFCD's).

NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Depreciation (Refer Note No. 4)	44.25	22.15
Depreciation Lease Ind AS 116 (Refer Note No.4(b))	4.74	0.84
Total -Depreciation and Amortisation Expenses	**48.99**	**23.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 31 : MINING, ROYALTY AND FREIGHT EXPENSES

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Mining Charges	994.04	672.92
Royalty	750.20	372.06
Freight Expenses	1,495.52	706.66
Total -Mining, Royalty and Freight Expenses	**3,239.77**	**1,751.64**

NOTE 32 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Manufacturing Expenses		
Power Consumption	4.52	3.79
Fuel Consumption	0.72	0.90
Water Charges	5.37	0.79
Stores & Spares Consumed	58.48	40.55
Repairs & Maintenance to Plant	8.18	6.34
Other Manufacturing Expenses	53.30	24.94
Total - Manufacturing Expenses	**130.56**	**77.33**
Selling and Distribution Expenses		
Selling Expenses	237.85	71.47
Rebate & Discount	-	39.21
Total - Selling and Distribution Expenses	**237.85**	**110.68**
Administrative Expenses		
Insurance	5.27	1.39
Travelling & Conveyance	13.96	3.62
Rent, Rates & Taxes	15.02	11.41
Legal , Professional & Consultancy Charges	14.14	14.18
Repairs & Maintenance to Building	0.56	0.26
Repairs & Maintenance to others	3.66	0.86
Misc Expenses	55.80	11.19
Sundry Balance Written Off	0.07	0.15
Payment to Auditors (Refer Note 32(a))	0.06	0.08
Director Sitting Fees	0.08	0.03
Corporate social responsibility (CSR) expenditure (refer Note 32(b))	66.59	1.16
Loss on Sale of Fixed Assets	0.27	3.66
Total - Administrative Expenses	**175.49**	**47.98**
Total - Other Expenses	**543.90**	**235.98**

NOTE 32 (a) : PAYMENT TO AUDITOR

(₹ in Crores)

Particulars		For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a)	**To statutory auditors**		
	-Statutory Audit Fees	0.05	0.03
	-Tax Audit & Certifications	0.01	0.01
	-Expenses Reimbursed	0.00	0.00
(b)	**To others**		
	-Cost Audit fees	0.00	0.00
	-Secretarial Audit fees	0.00	0.00
Total - Payment to auditor		**0.06**	**0.04**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

NOTE 32 (b) : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Amount required to be spent as per Section 135 of the Act*	-	0.68
Amount spent during the year on :		
1) Construction/ acquisition of any assets	-	-
2) On purposes other than (1) above	66.59	1.16
Total - Corporate social responsibility (CSR) expenditure	**66.59**	**1.16**

NOTE 33 : EXCEPTIONAL ITEMS

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Exceptional Item	-	1,194.40
Total - Exceptional Item (Coal Cess)	**-**	**1,194.40**

During the current year, there is no exceptional items . In the previous year above exceptional item has arisen pursuant to an arbitration award under which the company is liable to pay the amount. There was no cash outflow for the company as the amount is being paid by way of 0% Optionally Fully Convertible Debentures (OFCD₹s)

NOTE 34 : CURRENT TAX

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Current tax	(259.78)	-
Total -Current Tax	**(259.78)**	**-**

The Company is subject to income tax in India on the basis of its financial statements. The Company can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. The Company during the year ended March 31, 2021 had opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

As per the tax laws, business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period. The reconciliation of estimated income tax to income tax expense is as below:

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Profit/(loss) before tax	1,726.53	(397.68)
Expected income tax expense at statutory income tax rate of 25.168 % (2021-22 : 25.168 %)	434.53	-
(a) Inadmissible expenses & Income not included	45.23	-
(b) Deductible expenditure & income to be excluded	(69.02)	-
(c) Unabsorbed Losses - C/F	(151.01)	
Tax expense as reported	**259.73**	**-**

NOTE 35 : DEFERRED TAX INCOME

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Deferred Tax Income	(223.82)	109.14
Total -Deferred Tax Income	**(223.82)**	**109.14**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Components of deferred tax assets and liabilities is as below:

(i) The Analysis of Deferred Tax Assets and expenses is as follows

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Deferred Tax Assets/(Liabilities)		
Brought Forward Losses	-	147.81
Leasehold Assets as per IND AS 116	0.85	0.10
Employee Benefits	23.29	6.71
Fair value of investment as per IND AS	(0.20)	(1.14)
Depreciation on Property, Plant and Equipment	(110.38)	(16.10)
Net Deferred Tax Assets/(Liabilities)	**(86.44)**	**137.38**

(ii) The Movement in deferred tax assets and liabilities during the year is as follows

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Opening Balance	137.38	28.24
Tax (expenses)/ Income recognised in the statement of Profit and Loss	(223.82)	109.14
Tax (expenses)/ Income recognised in OCI	-	-
Closing Balance	**(86.44)**	**137.38**

36) DISCLOSURE AS REQUIRED BY THE IND AS -19 "EMPLOYEES BENEFIT" IS GIVEN BELOW:

Defined benefit plan: The Company operates one defined benefit plan, viz., gratuity & Leave Encashment benefit, for its employees. The Gratuity & Leave Encashment plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. The company does not have any fund for gratuity liability or Leave liability and the same is accounted for as provision.

Under the other long term employee benefit plan, the company extends the benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement / separation or during tenure of service. The Plan is not funded by the company.

The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron and generation of Power.

Sr. No	Particulars	Gratuity		Leave Encashment	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
1	Obligation as at beginning of the year	**15.25**	**4.94**	**1.32**	**0.83**
2	Current service cost	2.45	1.53	1.21	0.72
3	Interest cost	1.08	0.37	0.09	0.07
4	Liabilities transferred	0.00	10.56	0.00	0.01
5	Benefits paid	(0.79)	(0.07)	(0.25)	(0.11)
6	Re-measurements	(2.75)	(2.08)	0.15	(0.20)
7	Obligation as at Close of the year	**15.24**	**15.25**	**2.52**	**1.32**
8	Current portion	1.21	1.79	0.28	0.13
9	Non-current portion	14.03	13.46	2.23	1.19
	Total	**15.24**	**15.25**	**2.52**	**1.32**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Sr. No	Particulars	Gratuity		Leave Encashment	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
1	Current service cost	2.45	1.53	1.21	0.72
2	Interest cost	1.08	0.37	0.09	0.06
	Total	**3.53**	**1.90**	**1.30**	**0.78**

Amount recognized in other comprehensive income:

Sr. No	Particulars	Gratuity		Leave Encashment	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
1	Re-measurements	(2.75)	(2.07)	0.15	(0.20)
	Total	**(2.75)**	**(2.07)**	**0.15**	**(0.20)**

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Existing assumptions:

Sr. No	Particulars	Gratuity		Leave Encashment	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
1	Discount rate	7.10%	7.40%	7.10%	7.40%
2	Rate of salary increase	8.50%	8.50%	8.50%	8.50%
3	Withdrawal / Attrition rate	1.00%	1.00%	1.00%	1.00%
4	Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives (2012-14)	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives (2012-14)
5	Retirement age	60 years	60 years	60 years	60 years

Note: The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

Particulars	Change in assumption	Gratuity		Leave Encashment	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Discount Rate	+ 1%	13.69	13.83	2.23	1.17
	- 1%	17.09	17.11	2.87	1.49
Salary Growth Rate	+ 1%	17.05	16.88	2.86	1.48
	- 1%	13.69	13.83	2.23	1.17
Withdrawal rate	+ 1%	15.07	15.19	2.48	1.31
	- 1%	15.44	15.32	2.56	1.32

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarizes the maturity profile and duration of the Gratuity & Leave encashment liability:

Sr. No	Particulars	Gratuity		Leave Encashment	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
1	Within one year	1.21	1.80	0.28	0.13
2	Within one-three years	4.03	0.53	0.16	0.04
3	Within three-five years	1.34	0.85	0.14	0.10
4	Above five years	6.11	12.08	0.35	1.05
5	Weighted average duration (in years)	8.96 years	9.37 years	8.96 years	9.37 years

37) FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Fair values

1. The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.

2. Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (noncurrent) consists of interest accrued but not due on deposits, other financial assets consist of employee advances where the fair value is considered based on the discounted cash flow.

3. The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2024		As at 31st March, 2024		As at 31st March, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Non-current						
(i) Investments	-	-	0.04	0.04	-	-
Current						
(i) Trade Receivables	79.91	79.91	-	-	-	-
(ii) Cash and Cash Equivalent	2.59	2.59	-	-	-	-
(iii) Bank Balances Other	284.54	284.54	-	-	-	-
(iv) Other Financial Assets	-	-	-	-	-	-
(v) Loans & advances	1.50	1.50	-	-	-	-
(vi) Investments	-	-	30.21	29.03		
Total Financial assets	**368.53**	**368.53**	**30.25**	**29.08**	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2024		As at 31st March, 2024		As at 31st March, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities						
Non-current						
(i) Borrowings	-	-	-	-	-	-
(ii) Lease Liabilities	29.44	29.44				
Current						
(i) Borrowings	-	-	-	-	-	-
(ii) Lease Liabilities	3.69	3.69				
(iii) Trade Payables	395.09	395.09	-	-	-	-
(iv) Other Financial Liabilities	-	-	-	-	-	-
Total Financial liabilities	**428.22**	**428.22**	**-**	**-**	**-**	**-**

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2023		As at 31st March, 2023		As at 31st March, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Non-current						
(i) Investments	-	-	0.14	0.14	-	-
Current						
(i) Trade Receivables	24.51	24.51	-	-	-	-
(ii) Cash and Cash Equivalent	27.56	27.56	-	-	-	-
(iii) Bank Balances Other	236.98	236.98	-	-	-	-
(iv) Other Financial Assets	-	-	-	-	-	-
(v) Loans & advances	25.07	25.07	-	-	-	-
(vi) Investments	-	-	30.13	36.79		
Total Financial assets	**314.12**	**314.12**	**30.27**	**36.93**	**-**	**-**
Financial Liabilities						
Non-current						
(i) Borrowings	-	-	-	-	-	-
(ii) Lease Liabilities	2.19	2.19				
Current						
(i) Borrowings	-	-	-	-	-	-
(ii) Lease Liabilities	0.61	0.61				
(iii) Trade Payables	74.53	74.53	-	-	-	-
(iv) Other Financial Liabilities	1.57	1.57	-	-	-	-
Total Financial liabilities	**78.89**	**78.89**	**-**	**-**	**-**	**-**

38) FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

A) Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimize the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management and internal/ external experts subject to necessary supervision.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

The Company does not undertake any speculative transactions either through derivatives or otherwise. The senior management is accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance framework, policies and procedures. The Board of Directors periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

B) Foreign currency Risk

Foreign exchange risk arises on all recognised monetary assets and liabilities and on highly probable forecasted transactions which are denominated in a currency other than the functional currency of the Company. The Company does not have any foreign currency trade payables and receivables.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency.

No Forward contracts were entered into by the company either during the year or previous years since the company has very minimum exposure to foreign currency risk.

i) Price risk

The Company uses surplus funds in operations and for further growth of the company. Hence, there is no price risk associated with such activity..

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party the risk of deterioration of creditworthiness of the counterparty as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses. The Company is exposed to credit risk mainly with respect to trade receivables.

Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured. As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by the concerned team based on the Company's established policy and procedures and by setting appropriate payment terms and credit period. The credit period provided by the Company to its customers depends upon the contractual terms with the customers.

The ageing analysis of trade receivables as at the reporting date is as follows:

(₹ in Crores)

Particulars	Less than six months	More than six months
Trade Receivables as at March 31, 2024	74.94	4.97
Trade Receivables as at March 31, 2023	22.99	1.52

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due or there are some disputes which in the opinion of the management is not in the Company's favor. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents and cash generated from operations will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Crores)

Particulars	As at March 31, 2024	
	Less than six months	More than six months
Trade payables	394.55	0.54
Total Financial liabilities	**394.55**	**0.54**

(₹ in Crores)

Particulars	As at March 31, 2023	
	Less than six months	More than six months
Trade payables	73.39	1.15
Other financial liabilities	1.57	-
Total Financial liabilities	**74.96**	**1.15**

C) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and/ or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

39) CAPITAL MANAGEMENT

Capital management and Gearing Ratio :

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Borrowing		
Current	-	-
Non-Current	-	-
Total Debts	-	-
Cash and Marketable Securities	258.70	254.35
Net Debts	**(258.70)**	**(254.35)**
Equity		
Equity Share capital	50.53	50.48
Other Equity	2,760.34	1,478.42
Total capital	2,810.87	1,528.90
Gearing ratio in % (Net Debts/capital)	-	-

Notes: Gearing ratio not calculated as NIL Debts as of 31.03.2024 (Previous year ₹ NIL.)

40) RELATED PARTY TRANSACTIONS UNDER IND AS -24

Disclosure on Related Party Transactions as required by Ind AS 24- Related Party Disclosures is given below:

A. 100% Wholly Owned Subsidiary

1) Lloyds Logistics Private Limited (Thriveni Lloyds Mining Private Limited)
2) Lloyds Infinite Foundation
3) Lloyds Surya Private Limited

B. Key Managerial Personnel :

S. No.	Name	Designation
1	Mr. Rajesh Gupta (w.e.f. 8th August 2023)	Managing Director
2	Mr. Balasubramanian Prabhakaran (w.e.f. 8th August 2023)	Managing Director
3	Mr. Babulal Agarwal (w.e.f. 7th August 2023)*	Additional Non-Executive Promoter Director & Vice Chairman*
4	Mr. Riyaz Shaikh	Chief Financial Officer
5	Ms. Trushali Shah	Company Secretary

* Cease to be Managing Director & Appointed as Additional Non-Executive Promoter Director & Vice Chairman

C. Close family members of Key Managerial Personnel who are under the employment of the Company:

D. Entities where Directors/ Close family members of Directors have control/ significant influence:

1) Lloyds Engineering Works Ltd (Formerly known as Lloyds Steels Industries Limited)
2) Thriveni Earthmovers Private Limited
3) Thriveni Logistics Services LLP
4) Mandovi River Pellets Private Limited
5) Brahmani River Pellets Limited
6) Trofi Chain Factory Private Limited
7) Lloyds Enterprises Ltd (Formerly known as Shree Global Tradefin Limited)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

8) Sunflag Iron and Steel Co Limited
9) Lloyds Infrastructure & Construction Limited
10) Thriveni Apparels & Textiles P Ltd
11) Aashirvachan Infra And Mining Private Limited
12) Aeon Trading LLP
13) Agro-Orgo Farming LLP
14) Akshayam Creations LLP
15) Allygram Systems And Technologies Private Limited
16) Allygrow Technologies Private Limited
17) Amvak Private Limited
18) ASP Technologies Private Limited (Amalgamated w.e.f. 09.08.2023)
19) Balavati Properties Private Limited
20) Babhari Properties Private Limited
21) Baitarani Mining Private Limited
22) Blossom Trade & Interchange LLP
23) Crosslink Food And Farms Private Limited
24) Cunni Realty And Developers Private Limited
25) Curiosity Educom Private Limited
26) Deevyayan Minerals LLP
27) Em Em Electricals (Opc) P.Ltd.
28) Freelance Infraelex LLP
29) Geomysore Services India Pvt Ltd
30) Growaxis Trading LLP
31) Hemdil Estates Private Limited
32) Indrajit Properties Private Limited
33) Indravati Projects Private Limited
34) KJS Pellets & Power Private Limited
35) LKJ And Associates LLP
36) Lloyds Health & Beauty Private Limited
37) Lloyds Metals & Minerals Trading LLP
38) Lloyds Palms Spa LLP
39) Lloyds Employees Welfare Trust
40) Mahaprabhu Natural Resources Private Limited
41) Mahaprabhu Projects Private Limited
42) Mahaprabhu Services Private Limited
43) Mahaprabhu Ventures Private Limited
44) Nariman Point Finance Limited
45) Niladri Minerals Private Limited
46) Plutus Trade & Commodities LLP
47) Prakar Automotive India Private Limited

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

48) Prosperplus Trading LLP
49) Reliable Trade & Realty Developers Private Limited
50) Sky United LLP
51) SMS Water Grace BMW Private Limited
52) Snowwhite Realty Developers LLP
53) Sompuri Infrastructures Private Limited
54) Sompuri Natural Resources Private Limited
55) Spark Minerals And Services LLP
56) SSG Renew-Tech Private Limited
57) Stem Mineral Resources LLP
58) Streamland Estate LLP
59) Suntech Infraestate Nagpur Private Limited
60) Teamwork Properities Developments LLP
61) Thriveni Earthmovers And Infra Private Limited
62) Thriveni Metals Private Limited
63) Thriveni Mpn Natural Resources LLP
64) Thriveni Pellets Private Limited
65) Thriveni Sainik Mining Private Limited
66) Thriveni Sainik Pbnw Private Limited
67) Thriveni Sands And Aggregate LLP
68) Triumph Trade and Properties Developers Private Limited (Amalgamated w.e.f. 09.08.2023)
69) Usha Pavers & Processors LLP
70) Visiofy Trading LLP

E. Details of Chairman and Direcors of the company :

Names	Nature of relatioship
Directors	
Mr. Mukesh Gupta	Director (Chairman)
Mr. Babulal Agarwal (upto 7th August 2023)	Additional Non-Executive Promoter Director & Vice Chairman
Mr. Rajesh Gupta (w.e.f. 8th August 2023)	Managing Director
Mr. Madhur Gupta	Executive Director
Mr. S. Venkateswaran	Director
Mr. Mahendra Singh Mehta	Independent Director
Mr. Jagannath Dange	Independent Director
Mrs. Bhagyam Ramani	Independent Director
Mr. Balasubramanian Prabhakaran (w.e.f. 8th August 2023)	Managing Director
Mr. Ramesh Luharuka	Independent Director
Dr. Seema Saini	Independent Director
Dr. Satish Wate	Independent Director
Mr. Munnangi Venkata Subba Rao	Independent Director

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Terms and conditions of transactions with related parties

1 The Company has been entering into transactions with related parties for its business purposes. Related party vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of:

(a) Supplying products primarily to the Company,

(b) Advanced and innovative technology

(c) Customisation of products to suit the Company's specific requirements, and

(d) Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits-notably on working capital.

2 The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in business transactions.

Details of compensation & remuneration to Key Managerial Persons (KMPs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Nature of transaction		
Short-term employee benefits	2.95	2.03
Post-employment benefits	0.18	0.15
Other Long-term benefits	0.19	1.01
Termination benefits	-	-
Total compensation to key management person	**3.32**	**3.19**

Details of transaction with and balance oustanding of Key Managerial personnel (KMP) / close Family memebers of Key Managerial Personnel:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
Mr. Rajesh Gupta	Sitting Fees	0.0031	-	0.0040	0.0004
	Remuneration	0.9624	-	0.0600	-
Mr. Balasubramanian Prabhakaran	Sitting Fees	0.0012	-	0.0022	0.0002
	Remuneration	0.9624	-	-	-
Mr. Babulal Agarwal	Remuneration	0.22	-	0.65	0.0312
	Dividend	-	-	-	-
Mr. Riyaz Shaikh	Remuneration	0.49	-	0.45	0.0240
	Dividend	-	-	0.01	-
	ESOP	0.19	-	0.87	-
Ms. Trushali Shah	Remuneration	0.11	-	0.06	0.0043
	ESOP	0.01	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Details of transactions with and balance outstanding of Directors

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
Mrs. Bhagyam Ramani	Sitting Fees	0.0065	-	0.0018	-
Mr. Devidas Kambale	Sitting Fees	0.0071	-	0.0044	0.0002
Dr. Satish Wate	Sitting Fees	0.0072	-	0.0006	-
Dr. Seema Saini	Sitting Fees	0.0062	-	0.0012	0.0002
Mr. Jagannath Dange	Sitting Fees	0.0129	-	0.0038	-
Mr. Munnangi Venkata Subba Rao	Sitting Fees	-	-	0.0002	-
Mr. Madhur Gupta	Sitting Fees	0.0027	-	0.0022	0.0004
	Remuneration	0.7681	-	0.4800	-
Mr. Soundrarajan Venkateswaran	Sitting Fees	-	-	-	-
	Remuneration	0.8209	-	-	-
Mr. Mukesh Gupta	Sitting Fees	0.0087	-	0.0014	-
	Dividend	-	-	0.0350	-
Mr. Ramesh Luharuka	Sitting Fees	0.0106	-	0.0032	-
Mr. Babulal Agarwal	Sitting Fees	0.0050	-	-	-
Mr. Subbarao Venkata Munnangi	Sitting Fees	0.0067	-	-	-
Mr. Mahendra Singh Mehta	Sitting Fees	0.0070	-	-	-

Details of transactions with and balances outstanding of Entities Controlled / Significantly influenced by Directors / Close Family Members of Directors

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction Value	Outstanding/ (Advances) Amount	Transaction Value	Outstanding/ (Advances) Amount
Thriveni Earthmovers Private Limited	Other Services Paid- Mining charges	1,079.35	21.93	669.33	(76.45)
	OFCD-Interest	-		0.21	
Lloyds Engineering & Works Ltd (Formerly known as Lloyds Steels Industries Limited)	Other Services PaidCapex Procurement	444.33	72.56	244.26	(75.23)
				-	
Trofi Chain Factory Private Limited	Other Services Paid	0.088	-	0.0003865	-
Lloyds Logistics Private Limited (Thriveni Lloyds Mining Private Limited)	Advance for Material purchase	0.13	(0.13)		-
Thriveni Logistics Services LLP	Other Services Paid- Transportation service	-	-	0.48	-
Lloyds Infinite Foundation	Other Services PaidDonation for CSR	66.55	-	0.72	-
Mandovi River Pellets Private Limited	Sale of Goods	440.56	42.65	8.40	(6.71)
	Purchases	370.23	4.57		
Brahmani River Pellets Limited	Sale of Goods	4.08	(0.01)	8.19	-
Sunflag Iron & Steel Co. Ltd	Sale of Goods	339.88	(5.90)	-	-
Lloyds Infrastructure & Construction	Capital Expnditure	353.57	220.33	-	-
	Expense Reimbursement	0.09	-	-	-
	Sale of by product	0.00	0.00	-	-
Thriveni Apparels & Textiles P Ltd	Advance for unifrom purchases	0.22	(0.22)	-	-
Lloyds Surya Private Ltd	Investment in Subsidiary	0.10	0.10		-
Lloyds Employees Welfare Trust	Advance paid	0.17	(0.06)	0.04	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

41) EARNINGS PER SHARE (EPS)

Particulars			For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Weighted average number of equity share for basic EPS	(A)	Nos	50.49	44.16
Add: Potential equity shares		Nos	0.39	4.79
Weighted average number of equity shares for diluted EPS	(B)	Nos	50.88	48.95
The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron and generation of Power.			1	1
Profit attributable to equity shareholders for :	(C)			
Basic		₹ in Crores	1242.93	(288.54)
Diluted EPS		₹ in Crores	1242.93	(231.77)
Earnings per equity share				
Basic	(C/ A)	₹	24.62	(6.53)
Diluted	(C/ B)	₹	24.43	(4.74)*

*Note:- As per IND AS if Diluted EPS is higher than basic EPS then diluted EPS would be same as basic EPS.

42) CONTINGENT LIABILITY

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a) Letter of Credit/Guarantees issued by Banks	49.29	46.98
(b) Disputed claims of Excise	16.16	16.19
(c) Demand notice by Income tax	32.42	33.68
(d) Claims against the Company not acknowledged as Debts	3.21	3.21

43) SHARE BASED PAYMENTS PLANS (ESOP)

The Company introduced "LLOYDS METALS AND ENERGY LTDESOP – 2017" which covers the eligible employees of the Company and its subsidiaries. The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 5 (Five) years.

Details of "LLOYDS METALS AND ENERGY LTDE SOP – 2017"

Date of Grant	Options granted	Weighted average fair value of options	Exercise Price
20/Sep/2018	6,361,640	₹ 13.37/-	4.00
31/Jan/2019	305,000	₹ 10.61/-	4.00
26/Dec/2022	3,675,000	₹ 202.40/-	4.00
07/Aug/2023	1,027,750	₹ 636.07/-	4.00
18/Dec/2023	43,300.00	₹ 606.30/-	4.00
21/Mar/2024	7,500	₹ 606.30/-	4.00

The fair value of the options was estimated on the date of grant using the Black Scholes with the following assumptions:

Grant date	Vest date	Historical Volatility	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
20/Sep/2018	20/Sep/2019	64.49%	2.50	8.02%	0.00%
20/Sep/2018	20/Sep/2020	71.77%	3.50	8.08%	0.00%
20/Sep/2018	20/Sep/2021	72.44%	4.50	8.09%	0.00%
20/Sep/2018	20/Sep/2022	73.77%	5.50	8.12%	0.00%
31/Jan/2019	20/Sep/2020	66.72%	3.14	6.98%	0.00%
31/Jan/2019	20/Sep/2021	70.13%	4.14	7.18%	0.00%
31/Jan/2019	20/Sep/2022	70.54%	5.14	7.22%	0.00%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

The fair value of the options was estimated on the date of grant using the Simplifies Method with the following assumptions:

Grant date	Vest date	Historical Volatility	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
26/Dec/2022	26/Dec/2023	54.16%	2.50	6.98%	0.24%
26/Dec/2022	26/Dec/2024	60.47%	3.50	7.12%	0.24%
26/Dec/2022	26/Dec/2025	58.53%	4.51	7.21%	0.24%
26/Dec/2022	26/Dec/2026	58.60%	5.51	7.26%	0.24%
26/Dec/2022	26/Dec/2027	60.48%	6.51	7.29%	0.24%
07/Aug/2023	07/Aug/2024	49.20%	2.50	6.98%	8.00%
07/Aug/2023	07/Aug/2025	58.13%	3.51	7.01%	8.00%
07/Aug/2023	07/Aug/2026	57.50%	4.51	7.03%	8.00%
07/Aug/2023	07/Aug/2027	56.19%	5.51	7.05%	8.00%
07/Aug/2023	07/Aug/2028	57.21%	6.51	7.06%	8.00%
18/Dec/2023	26/Dec/2024	48.62%	2.52	6.98%	0.00%
21/Mar/2024	17/Jun/2025	48.62%	2.52	6.98%	0.00%

The information covering stock options is as follows:

Particulars	ESOP 2017	
	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Outstanding at the beginning of the year (A)	3,675,000	4,700,000
Exercisable at the beginning of the year (B)	-	120,000
Granted (C)	1,078,550	3,675,000
Options Vested during the year (D)	429,315	105,000
Forfeited /Lapsed (E)	487,875	365,000
Exercised (F)	280,143	225,000
Outstanding at the end of the year(A+C-D-E)	3,836,360	3,675,000
Exercisable at the end of the year (B+D-F)	149,172	-

Since equity shares are listed hence for the purpose of calculating volatility, volatility of shares based on the expected life is considered.

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows.

(₹ in Crores)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
SBP Expenses	35.98	7.35
Total employee share-based payment expense	**35.98**	**7.35**

44) SEGMENT REPORTING UNDER IND AS – 108

Disclosures as required by the Ind AS - 108 on “Segment Reporting” are given below:

For management purposes, the Company is organized into business units based on its services and has four reportable segments, as follows:

i) The Sponge Iron segment which includes production and manufacturing of Sponge Iron.

ii) The Mining Segment which includes production and manufacturing of Iron Ore

iii) The Power segment which includes generation of power.

iv) The Pellet Trading segment which includes trading of Pellet.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

(₹ in Crores)

Sr. No.	Particulars	As at 31st March, 2024					As at 31st March, 2023			
		Sponge Iron	Power	Mining	Pellet Trading	Consolidated	Sponge Iron	Power	Mining	Consolidated
a)	**Segment Revenue:**									
	Sales:									
	External	827.48	127.32	5,432.95	346.08	6,733.83	748.99	75.01	2,754.41	3,578.41
	less: Inter division transfer	-	9.50	149.76	-	159.26	-	8.33	103.31	111.64
	Total	**827.48**	**117.82**	**5,283.19**	**346.08**	**6,574.57**	**748.99**	**66.68**	**2,651.10**	**3,466.77**
b)	**Segment Result:**									
	Operating Net Profit	129.38	61.45	1,539.38	2.13	1,732.34	248.69	41.80	680.41	970.89
	Common Expenses (Net)	-	-	-	-	-				-
	Finance cost	-	-	-	-	(5.64)				(65.04)
	Exceptional Item	-	-	-	-	-				(1,194.40)
	Profit before tax					1,726.70				(288.54)
c)	**Segment Assets:**	2,245.61	231.57	975.93	91.42	3,544.54	915.61	205.18	482.66	1,603.44
	Common Assets					391.83				422.36
	Total	**2,245.61**	**231.57**	**975.93**	**91.42**	**3,936.37**	**915.61**	**205.18**	**482.66**	**2,025.80**
d)	**Segment Liabilities:**	215.19	4.50	372.39	0.72	592.80	60.88	6.73	350.51	418.12
	Common Liabilities					392.66				54.03
	Total	**215.19**	**4.50**	**372.39**	**0.72**	**985.46**	**60.88**	**6.73**	**350.51**	**472.15**
e)	**Capital Employed (including goodwill)**	2,030.43	227.07	603.54	90.69	2,951.73	854.73	198.45	132.14	1,185.32
f)	**Common assets/ Liabilities**					(0.83)				368.33
	Total	**2,030.43**	**227.07**	**603.54**	**90.69**	**2,950.90**	**854.73**	**198.45**	**132.14**	**1,553.65**

45) FINANCIAL RATIOS:

The Ratios as per latest amendment to Schedule III are as below:

Sr. No.	Particulars	Numerator	Denominator	2023-24	2022-23	Varinace	Remarks
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.14	2.01	-76%	The variation in Current ratio is primarily due to increase in current Liabilities on account of trade payable.
2	Debt-Equity Ratio (in times)	Total Debt (Non-Current & Current -Borrowing and Lease liability)	Shareholders' Equity	N.A	N.A	N.A	Not Applicable as the Company is Debt Free
3	Debt-Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	N.A	N.A	N.A	Not Applicable as the Company is Debt Free
4	Return on Equity (%)	Profit after taxes (PAT) excluding Exceptional items	Average Shareholder's equity	57.28%	90.11%	-57%	The variation in ROE ratio is majorly due to higher Tax Outflow.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

Sr. No.	Particulars	Numerator	Denominator	2023-24	2022-23	Varinace	Remarks
5	Inventory Turnover ratio (in times)	Revenue from operations	Average inventory	26.04	15.54	40%	Increase in operation and higher production has resulted in higher Inventory Turnover
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	124.93	140.62	-13%	Reduction in the ratio is due to increase in Turnover & timely collection of receivable.
7	Trade payables turnover ratio (in times)	Purchase of goods	Average trade payables	27.77	11.61	58%	Increase in ratio is due to increase in capital creditor on account of going on project work.
8	Net capital turnover ratio (in times)	Revenue from operations	Net Working capital	46.10	7.15	84%	Better availability of fund on account of Increased activity resulting in improvement in ratio.
9	Net profit ratio (%)	Net Profit After Tax and Exceptional Items	Revenue from operations	19.06	-8.51	145%	Net Profit Margin has increased mainly due to improved operating profits due to Increase in mining operations.
10	Return on Capital employed (%)	Earnings before interest and taxes	Capital employed	59.79	56.36	6%	The variation in ROCE ratio is majorly due to the earning has been utilised in Capital WIP which is currently not genrating Revenue.
11	Return on Investment (%)	Other Income	Average Invesment	13.61%	8.38%	38%	Increase in this ratio is due to increase in investment during the year & its resulting income.

Other Income includes Interest, Dividend Income & Profit on Sale of Investments.

Average Investment includes Fixed Deposits, Investment & Inter-Corporate Deposits.

Return on capital employed for the previous financial year has been restated and calculated in line with the current financial year.

46) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crores)

	Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Amount required to be spent by the company during the year		-	0.68
1	Amount of the expenditure incurred	66.59	1.16
2)	Reason for shortfall	NA	NA
3)	Nature of CSR Activities	Promoting education, Promoting health including health care and Providing clean drinking water	Promoting education, Promoting health including health care and Providing clean drinking water

47) The Board of Directors, at their meeting held on May 2, 2024 recommended a final dividend of ₹ 1 per equity share for the year ended March 31, 2024, subject to approval of shareholders. On approval, the total dividend outgo is expected to be ₹ 50.53 Crore based on number of shares outstanding as on March 31, 2024.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

48) Previous year's figures are regrouped and rearranged wherever necessary.

49) Approval of Financial Statements on 02nd May, 2024

The financial statements were approved by the Board of Directors on 2nd May 2024

As per our Report of even date

For Todarwal & Todarwal LLP
Chartered Accountants
Firm Registration No W100231/ 111009W

Sd/-
Kunal Todarwal
Partner
Membership No 137804
UDIN : 24137804BJZWNR8679

Place : Mumbai
Date : 02nd May, 2024

For and on behalf of the Board of Directors of
Lloyds Metals and Energy Limited

Sd/-
Mukesh R. Gupta
Chairman
DIN: 00028347

Sd/-
Rajesh Gupta
Managing Director
DIN: 00028379

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Independent Auditor's Report

To the Members of

Lloyds Metals and Energy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Lloyds Metals and Energy Limited** (hereinafter referred to as the "Holding Company") and its Subsidiary, which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on 31st March, 2023, and notes to Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, of the consolidated loss and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Conversion of Joint Venture to Wholly-owned Subsidiary

On 20th January, 2023 the Company has increased its investment in the Joint venture, Thriveni Lloyds Mining Private Limited (TLMPL) and effectively from that date it is a 100% subsidiary of the Company. The additional consideration paid by the Company to increase its investment was ₹ 9,60,000 at ₹ 160/- per share. The valuation was done by an Independent third party who valued TLMPL at ₹ 159.50/- per share.

The consolidation of the books of accounts was done as per the relevant IND AS provisions by the Management.

How the matter was addressed in our audit:

Our audit procedures included obtaining the necessary documents for conversion of joint venture into wholly owned subsidiary and evaluating the accounting treatment done by the management for purchase consideration and consolidation of the books of accounts.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Subsidiary in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in Holding Company and its Subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Holding Company and its Subsidiary are responsible for assessing the ability of the Holding Company and its Subsidiary to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its Subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding Company and its Subsidiary are responsible for overseeing the financial reporting process of the Holding Company and its Subsidiary.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial

Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Holding Company and its Subsidiary to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 1 subsidiary included in the consolidated financial statements, which reflect total assets of ₹ 32,23,404/- as at 31st March, 2023 as well as the total revenue for the period 01st April, 2022 to 31st March, 2023 is NIL. The consolidated financial statements include the Subsidiary's share of net loss of ₹ 52,649/- for the year ended 31st March, 2023, as considered in the consolidated financial statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the Subsidiary, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters based on the financial information certified by the Management. We do not form any opinion with respect to our reliance on the work done and the reports of the Subsidiaries auditors as the Subsidiaries Financial Statements were unaudited till the date of this audit report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

   b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (As amended);

   e. On the basis of the written representations received from the directors of the Holding company and its Subsidiary as on 31st March 2023 taken on record by the Board of Directors of the Holding Company and its Subsidiary, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiary and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and its Subsidiary's Internal Financial Controls over financial Reporting; and

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its Subsidiary– Refer Note 34 to the Consolidated Financial Statements.

ii. The Holding Company and its Subsidiary did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary incorporated in India.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its Subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.

For **TODARWAL & TODARWAL LLP**
Chartered Accountants
ICAI Firm Reg. No.: 111009W/ W100231

Kunal Todarwal
Partner
M.No.: 137804
UDIN: 23137804BGWDFN5096

Date: 25th April, 2023
Place: Mumbai

Annexure – A to the Independent Auditors' Report

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

Opinion

In conjunction with our audit of the Consolidated Financial Statements of **Lloyds Metals and Energy Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its Subsidiary, as of that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **TODARWAL & TODARWAL LLP**
Chartered Accountants
ICAI Firm Reg. No.: 111009W/ W100231

Kunal Todarwal
Partner
M.No.: 137804
UDIN: 23137804BGWDFN5096

Date: 25th April, 2023
Place: Mumbai

Annexure - B to Independent Auditor's Report

The 'Annexure B' referred to in Independent Auditor's Report to the Members of the Holding Company on the Consolidated Financial Statements for the year ended 31st March 2023, we report that:

(Referred to in Paragraph 1 under 'Report on Other legal and Regulatory Requirement' sections of our report of even date)

(xxi) According to the information and explanations given to us, in respect of Subsidiary (Thriveni Lloyds Mining Private Limited) incorporated in India and included in the consolidated financial statements, the Companies (Auditor's Report) Order (CARO) report relating to it has not been issued by its auditor till the date of this audit report and hence we are unable to comment on this clause.

For **TODARWAL & TODARWAL LLP**
Chartered Accountants
ICAI Firm Reg. No.: 111009W/ W100231

Kunal Todarwal
Partner
M.No.: 137804
UDIN: 23137804BGWDFN5096

Date: 25th April, 2023
Place: Mumbai

Consolidated Balance Sheet

as at 31st March 2023

(₹ in Crores)

Sr. No.	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
(1)	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	4	474.60	399.06
	(b) Capital Work in Progress	4(a)	373.10	85.88
	(c) Right to Use Account	4(b)	57.77	0.60
	(d) Financial Assets			
	(i) Investments	5	0.04	0.14
	(e) Deferred tax assets (Net)	6	137.38	28.24
	(f) Other Non-current Assets	7	36.32	0.87
	Total Non Current Assets		**1,079.21**	**514.79**
(2)	**CURRENT ASSETS**			
	(a) Inventories	8	269.75	166.84
	(b) Financial Assets			
	(i) Investments	8(i)	36.79	-
	(ii) Trade Receivables	9	24.51	23.74
	(iii) Cash and Cash Equivalent	9(i)	27.58	13.73
	(iv) Bank Balances Other than (iii) above	9(ii)	236.98	8.14
	(v) Loans & Advances	9(iii)	25.07	-
	(c) Other Current Assets	10	326.14	96.49
	Total Current Assets		**946.82**	**308.94**
	TOTAL ASSETS		**2,026.03**	**823.73**
	EQUITY AND LIABLITIES			
	Equity			
	(a) Equity Share Capital	11	50.48	37.04
	(b) Other Equity	12	1,478.47	444.54
	Total Equity		**1,528.95**	**481.58**
	Liabilities			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	-	56.72
	(ia) Lease Liabilities	13(i)	2.19	0.43
	(b) Provisions	14	22.56	5.36
	(c) Other Non-Current Liabilities	15	-	161.43
	Total Non Current Liabilities		**24.75**	**223.94**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ia) Lease Liabilities	16(i)	0.61	0.21
	(ii) Trade Payables			
	a) total outstanding dues of micro enterprises and small enterprises; and		-	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	16(ii)	74.53	15.18
	(iii) Other financial liabilities (other than those specified in item)	16(iii)	1.57	74.47
	(b) Other Current Liabilities	17	383.49	14.42
	(c) Provisions	18	12.12	13.93
	Total Current Liabilities		**472.32**	**118.21**
	TOTAL EQUITY AND LIABILITIES		**2,026.03**	**823.73**
	Notes forming Part of Financial Statements	**1-43**		

As per our Report of even date

For **Todarwal & Todarwal LLP**
Chartered Accountants
Firm Registration No W100231

Sd/-
Kunal Todarwal
Partner
Membership No 137804

Place : Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors of Lloyds Metals and Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Consolidated Statement of Profit and Loss

for the year ended 31st March 2023

(₹ in Crores)

Sr. No.	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I	**REVENUE FROM OPERATIONS**			
	Gross Sales / Income from Operations	19	3,392.31	697.50
II	Other Income	20	74.46	29.75
III	**Total Income (I+II)**		**3,466.77**	**727.25**
IV	**EXPENSES**			
	a) Cost of Materials Consumed	21	504.35	373.27
	b) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	35.78	(60.40)
	c) Employee Benefit Expenses	23	54.26	18.35
	d) Finance Cost	24	65.04	18.14
	e) Depreciation and amortization expenses	25	23.00	17.98
	f) Other Expenses	26	1,987.62	220.74
	Total Expenses (IV)		**2,670.05**	**588.09**
V	**PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**		**796.72**	**139.16**
VI	Exceptional Items	21(a)	1,194.40	51.36
VII	**PROFIT /(LOSS) BEFORE TAX (V-VI)**		**(397.68)**	**87.80**
VIII	**Tax Expenses:**			
	a) Current Tax		-	-
	b) Deferred Tax Income	27	109.14	9.51
IX	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATION (VII-VIII)**		**(288.54)**	**97.30**
X	**Share of Profit / (Loss) of Joint Venture**		**(0.01)**	**0.07**
XI	**Profit/(loss) from discontinued operations**		**-**	**-**
XII	**Tax expenses of discontinued operations**		**-**	**-**
XIII	**Profit/(loss) from Discontinued operations (after tax) (XI-XII)**		**-**	**-**
XIV	**Profit/(loss) for the Year (IX+X+XIII)**		**(288.55)**	**97.37**
XV	**OTHER COMPREHENSIVE INCOME**			
	(a) (i) Items that will be reclassified subsequently to the statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		-	-
	(b) (i) Items that will not be reclassified subsequently to the statement of profit and loss		2.07	0.73
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**2.07**	**0.73**
XVI	**Total Comprehensive Income for the year (XIV+XV)**		**(286.48)**	**98.10**
XVII	**Earnings per equity share (for discontinued operation):**			
XVIII	**Earning per share**			
	(1) Basic (in ₹)		**(6.53)**	**2.85**
	(2) Diluted (in ₹)		**(4.74)**	**2.78**
	Notes forming Part of Financial Statements	**1-42**		

As per our Report of even date

For **Todarwal & Todarwal LLP**
Chartered Accountants
Firm Registration No W100231

Sd/-
Kunal Todarwal
Partner
Membership No 137804

Place : Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors of Lloyds Metals and Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Crores)

Sr. No.	Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Tax	**(397.72)**	**87.80**
	Adjustments for:		
	Depreciation	23.01	17.98
	Other comprehensive Income	2.07	0.73
	Deferred Tax income	109.14	-
	SBP Reserve	6.78	(0.19)
	Loss on disposal of Property, Plant and equipment	3.66	0.10
	(Profit) on disposal of Property, Plant and equipment	0.00	(0.01)
	Interest/Dividend Income	(12.35)	(0.61)
	Interest & Financial Charges	5.98	10.18
	Operating Profit Before Working Capital Changes	**(259.44)**	**115.98**
	Change in operating assets and liabilities		
	(Increase)/Decrease in Trade and other Receivables	(0.66)	(16.83)
	(Increase)/Decrease in Financial Assets	0.00	(2.41)
	(Increase)/Decrease in Loan & Advance	(25.07)	-
	(Increase)/Decrease in Other Current Assets	(217.35)	29.97
	(Increase)/Decrease in Inventories	(102.91)	(51.13)
	(Increase)/Decrease in Investment	(36.79)	0.00
	(Increase)/Decrease in Other Non Current Assets	(92.62)	0.05
	(Increase)/Decrease in Prepayments	(7.99)	(0.10)
	Increase/(Decrease) in Borrowings	0.00	(9.69)
	Increase/(Decrease) in Trade Payable	59.27	(20.07)
	Increase/(Decrease) in Other Financial Liabilities	(19.02)	2.85
	Increase/(Decrease) in Lease Liabilities	0.40	0.03
	Increase/(Decrease) in Other Current Liabilities	335.02	(9.04)
	Increase/(Decrease) in Non Current Liabilities	(161.43)	(120.74)
	Increase/(Decrease) in Provisions	15.39	3.22
	Cash Generated from Operations	**(513.19)**	**(77.91)**
	Direct Taxes (Paid)/ Net of Refunds	(3.25)	(0.30)
	Net cash inflow (outflow) from operating activities	**(516.44)**	**(78.21)**
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Property, Plant & Equipment	(99.63)	(56.24)
	(Increase)/Decrease on FDR	(228.84)	(0.50)
	(Increase)/Decrease on Investment	(0.01)	0.00
	Sale of Property, Plant & Equipment	(1.50)	(0.02)
	Interest/Dividend Received	4.93	0.58
	(Increase)/Decrease in Capital WIP	(287.22)	(1.17)
	Net cash inflow (outflow) from investing activities	**(612.27)**	**(57.35)**

Consolidated Cash Flow Statement

for the year ended 31st March, 2023 *(Contd.)*

(₹ in Crores)

Sr. No.	Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest & Financial Charges Paid	(0.89)	-
	Interest & Financial Charges paid (Govt. Penalty & fees)	(0.31)	-
	Interest on Vehicle Loans	(0.15)	-
	Interest on Leases As Per Ind AS	(0.71)	-
	Interest on Debentures	(58.05)	(9.86)
	Interest on Term Loan/CC	(5.98)	-
	Proceeds from issue of Shares	0.00	11.67
	Proceeds from issue of Shares from ESOP	0.09	0.03
	Proceeds from issue of Share warrant money	15.63	-
	Proceeds from issue of Shares Premium	1,292.53	189.93
	Proceeds from issue of Optionally Fully Convertible Debentures	(2.39)	-
	Proceeds From Borrowing	0.00	75.21
	(Repayment) of Borrowing	(74.97)	(118.08)
	Dividend Paid	(22.24)	0.00
	Net cash inflow /(outflow) from financing activities	**1,142.53**	**148.89**
	Net Increase /(Decrease) in Cash & Cash Equivalents (A+B+C)	**13.83**	**13.33**
	Cash & Cash Equivalents at the beginning of Period	13.76	0.40
	Cash & Cash Equivalents at the end of Period	27.58	13.73
	Net Increase / (Decrease) in Cash & Cash Equivalents	**13.83**	**13.33**
	Components of Cash and Cash equivalents		
	(a) Cash in Hand	0.02	0.11
	(b) Balance with Schedule Bank : Current account	27.57	13.62
	Total cash and Cash Equivalents	**27.58**	**13.73**

As per our Report of even date

For **Todarwal & Todarwal LLP**
Chartered Accountants
Firm Registration No W100231

Sd/-
Kunal Todarwal
Partner
Membership No 137804

Place : Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors of Lloyds Metals and Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Consolidated Statement of Change in Equity

for the year ended 31st March, 2023

A. EQUITY SHARE CAPITAL

(1) Current reporting period

(₹ in Crores)

Balance as at 1st April, 2022	Changes during the year	Balance as at 31st March, 2023
36.87	13.61	50.48

(2) Previous reporting period

(₹ In Crores)

Balance as at 1st April, 2021	Changes during the year	Balance as at 31st March, 2022
25.17	11.70	36.87

B. OTHER EQUITY

(1) Current reporting period

(₹ in Crores)

	Reserves and Surplus								
	Money received against share warrants	Equity Component of Optionally Fully convertible Debentures	Capital Reserve	Securities Premium	SBP Reserve	Retained Earnings	Other items of Other Comprehensive Income (Gratuity and Leave encashment)	Money received against share warrants	Total
Balance as at 01st April, 2022	**15.63**	**2.39**	**77.56**	**212.87**	**0.52**	**134.47**	**1.09**	**-**	**444.53**
Profit for the Year	-	-	-	-	-	(288.54)	-	-	(288.54)
Other Comprehensive Income for the year	-	-	-	-	-	-	2.07	-	2.07
Total Comprehensive Income for the current year	**15.63**	**2.39**	**77.56**	**212.87**	**0.52**	**(154.07)**	**3.16**	**-**	**158.06**
Dividend Paid for FY 2021-22*	-	-	-	-	-	22.24	-	-	22.24
Issue/Conversion of Equity Shares	(15.63)	-2.39	-	1,295.17	6.78	58.49	-	-	1342.42
Shares Forfeited	-	-	0.17	-	-	-	-	-	0.17
Balance as at 31st March, 2023	**-**	**-**	**77.73**	**1,508.04**	**7.29**	**(117.82)**	**3.16**	**-**	**1,478.42**

* Dividends paid during the year ended March 31, 2023 is ₹ 0.50/- per equity share towards the final dividend for the year ended March 31,2022 and Nil Dividends paid during the year ended March 31, 2022.

Consolidated Statement of Change in Equity

for the year ended 31st March, 2023

(2) Previous reporting period

(₹ in Crores)

	Reserves and Surplus								
	Money received against share warrants	Equity Component of Optionally Fully convertible Debentures Fully convertible Debentures	Capital Total Reserve	Securities Premium	SBP Reserve	Retained Earnings	Other items of Other Comprehensive Income (Gratuity and Leave encashment	Money received against share warrants	Total
Balance as at 01st April, 2021	**15.63**	**1.28**	**77.56**	**24.06**	**0.70**	**37.17**	**0.36**	**-**	**156.76**
Profit for the Year	-	-	-	-	-	97.30	-	-	97.30
Other Comprehensive Income for the year	-	-	-	-	-	-	0.73	-	0.73
Total Comprehensive Income for the previous year	**15.63**	**1.28**	**77.56**	**24.06**	**0.70**	**134.47**	**1.09**	**-**	**254.79**
Dividends	-	-	-	-	-	-	-	-	-
Issue/Conversion of Equity Shares	-	1.12	-	188.81	-0.19	-	-	-	189.74
Any other change (to be specified)	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	**15.63**	**2.39**	**77.56**	**212.87**	**0.52**	**134.47**	**1.09**	**-**	**444.53**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

1. COMPANY INFORMATION

Lloyds Metals and Energy Limited (The Company) was incorporated in 1977 having its registered office at Plot No. A 1-2, MIDC Area, Ghugus, Chandrapur - 442505, Maharashtra State. The Company is listed in BSE Limited (BSE).

The Company and its subsidiary have present into the business of mining of Iron Ore, manufacturing of Sponge Iron and generation of Power.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on April 25, 2023.

Basis of Consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of compliance

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation

i) These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

ii) Historical cost convention the financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Chief Financial Officer as chief operating decision maker. Refer Note 37 for segment information presented.

d) Foreign currency transaction

i) Functional and presentation currency: Items included in the financial statements are measured using the currency of

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (₹), which is the Company's functional and presentation currency.

ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the period/year are translated at the period/ year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

Forward exchange contracts entered into, to hedge foreign currency risk of an existing asset/ liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

e) Revenue Recognition

The Company recognizes revenue in accordance with Ind- AS 115. Revenue is recognised upon transfer of control of promised goods to customers i.e., when the performance obligation gets fulfilled in an amount that reflects the consideration which the company expects to receive in exchange for that particular performance obligation.

Revenue is measured based on the transaction price, which is the net of variable consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Sale of Goods

Revenue from the sale of manufactured and traded goods is recognised when significant risks and rewards of ownership of goods have been transferred, effective control over the goods no longer exists with the Company, amount of revenue / costs in respect of the transactions can reliably be measured and probable economic benefits associated with the transactions will flow to the Company.

Other Revenue

Customs Duty

Customs Duty/incentive entitlement as and when eligible is accounted on accrual basis. Accordingly, import duty benefits against exports effected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty-free imports of raw material yet to be made.

Interest Income

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

Other Income/Miscellaneous Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

f) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government assistance to entities meets the definition of government grants in Ind AS 20, even

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

g) Taxes

Income tax expenses comprise current tax expense and the net changes in the deferred tax asset or inability during the year. Current & deferred taxes are recognized in the statement of Profit & Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current & deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) Current income tax

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax at the prescribed percentage on the adjusted book profits of a year, when Income Tax Liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115JA.

ii) Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. However, if these are unabsorbed depreciation, carry forward losses and items relating to capital losses, deferred tax assets are recognised when there is reasonable certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable that such unutilized tax credits will get realized.

The unrecognized deferred tax assets/ carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis. Ref. Note No.38

h) Leases

The Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 - 'Leases'. This standard is effective from1st April, 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Ind AS 116 - Leases amends the rules for the lessee's accounting treatment of operating leases. According to the standard all operating leases (with a few exceptions) must therefore be recognized in the balance sheet as lease assets and corresponding lease liabilities. The lease expenses, which were recognised as a single amount (operating expenses), will consist of two elements: depreciation and interest expenses. The standard has become effective from 2019 and the Company has assessed the impact of application of Ind AS 116 on Company's financial statements and provided necessary treatments and disclosures as required by the standard (Refer Note No 39).

i) Impairment of assets

The impairment of assets depends on whether there has been a significant increase in the credit risks since initial recognition. Accordingly, the Company deals with providing for impairment of loss. In case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

j) Inventories

The general practice adopted by the company for valuation of inventory is as under:

i)	Raw Materials	*At lower of cost and net realizable value.
ii)	Stores and spares	At cost
iii)	Work-in-process/ semi-finished goods	At material cost plus labour and other appropriate portion of production and administrative overheads and depreciation
iv)	Finished Goods/Traded Goods	At lower of cost and net realizable value.
v)	Finished Goods at the end of trial run	At net realizable value.
vi)	Scrap material	At net realizable value.
vii)	Tools and equipments	At lower of cost and disposable value.

*Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

k) Cash and cash equivalents

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

l) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expenses in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. However, where the impact of discounting / transaction costs is significant, the amortised cost is measured using the effective interest rate ('EIR') method. Interest income from these financial assets is included in Other Income.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, the same are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income. Impairment losses (and reversal of impairment

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023

losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Ref Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) Derecognition of financial assets

Financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

m) Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their nature. The costs of the Company are broadly categorized in to material consumption, cost of trading goods, employee benefit expenses, depreciation and amortization, other operating expenses and finance cost. Employee benefit expenses include employee compensation, gratuity, leave encashment, contribution to various funds and staff welfare expenses. Other expenses broadly comprise manufacturing expenses, administrative expenses and selling and distribution expenses.

n) Derivatives

The derivative contracts to hedge risks which are not designated as hedges are accounted at fair value through profit or loss and are included in the profit and loss account.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized 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 Company or the counterparty.

Financial Assets

Initial Recognition

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

o) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any in accordance with Ind-AS 16. The Company reviews the fair value with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value.

Cost excludes Input credit under GST and such other taxes which can utilize against GST liabilities. Depreciation on assets is claimed on such 'reduced' cost. All items of repairs and maintenance are recognized in the statement of profit and loss, except those meet the recognition principle as defined in Ind-AS 16 Any revaluation of an asset is recognized in other comprehensive income and shown as revaluation reserves in other equity.

Depreciation/Amortization methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on a pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortized over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

q) Intangible assets

i) Recognition

Intangible assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortized over their useful life. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

ii) Amortization methods and periods

The Company amortized intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortized over a period of three years.

Financial Liabilities

Initial Recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Recognition

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees Paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, there is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as defined in Ind-AS 23 are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Any related foreign currency fluctuations on account of qualifying asset under construction is capitalized and added to the cost of asset concerned. Other borrowing costs are expensed as incurred.

u) Employee benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations.

Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and superannuation fund.

(c) Defined benefit plans such as Leave encashment.

Gratuity & Leave Encashment obligations

The liability or assets recognized in the balance sheet in respect of gratuity & Leave Encashment plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailment are recognized immediately in profit or loss.

iv) Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expenses when they are due.

v) Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black- Scholes model. In case the options are granted to employees of the company, the fair value determined at the grant date is expensed on a straight line basic over the vesting period, based on the Company's estimate of options that will eventually vest, with a corresponding increase in equity.

vi) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

the end of the reporting period but not distributed at the end of the reporting period.

x) Earnings per share

i) **Basic earnings per share:** Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company.
- By the weighted average number of equity shares outstanding during the financial year.

ii) **Diluted earnings per share:** diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Custom duty and its benefits

Customs Duty payable on imported raw materials, components and stores and spares is recognized to the extent assessed by the customs department.

Customs duty entitlement eligible under passbook scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports affected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

z) The Treatment of expenditure during construction period

All expenditure and interest cost during the project construction period, are accumulated and shown as Capital Work-in- Progress until the project/ assets commences commercial production. Assets under construction are not depreciated. Expenditure/Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress.

aa) Fair value measurement

The Company reviews the fair value of Land with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant absorbable inputs and minimizing the use of un-absorbable inputs. External valuers are appointed for valuing land. The selection criteria for these valuers include market knowledge, reputation, independence and whether professional standards are maintained.

ab) Amortization of expenses

Equity Issue expenses: Expenditure incurred in equity issue is being treated as Deferred and Revenue Expenditure to be amortized over a period of 10 years;

Debenture Issue Expenses: Debenture Issue expenditure is amortized over the period of 10 years.

Deferred Revenue Expenses: Deferred Revenue expenses are amortized over a period of 5 years.

ac) Research and development expenses

Research and Development costs (other than cost of fixed assets acquired) are expensed in the year in which they are incurred.

ad) Investment in Associates

Investments in associates are recognized at cost. The company provides for any permanent diminution, if any, in value of such investment.

ae) Accounting for Provisions, Contingent Liabilities & Contingent Assets

In conformity with Ind-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI. A provision is recognized when the Company has a present obligation as a result of past even and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in financial statements.

af) Provision for doubtful debts

The Management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

ag) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

2. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of Investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023

NOTE: 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount	
	As at 1st April, 2022	Additions	Deletions	As at 31st March 2023	As at 1st April, 2022	For the Year 2022-23	On disposals	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Owned Assets										
Land	9.69	0.35	-	10.04	-	-	-	-	10.04	9.69
Mining Complex	52.54	14.02		66.56	0.00	2.78	-	2.78	63.78	52.54
Factory Building & Site Development	29.03	28.51	-	57.54	14.08	1.62	-	15.70	41.84	14.95
Residential Building: Housing Complex	7.84	-	-	7.84	5.18	0.41	-	5.59	2.25	2.66
Mining Road	4.99	-	-	4.99	2.61	0.95	-	3.56	1.43	2.38
Plant and Machinery	443.49	49.01	-	492.50	268.86	10.24	-	279.10	213.40	174.63
Plant and Machinery- Power	199.97	-	3.21	196.76	64.92	4.58	1.09	68.41	128.35	135.05
Furniture & Fixture	2.97	1.81	-	4.78	1.51	0.27	-	1.78	3.00	1.46
Motor Vehicles	5.71	3.28	0.09	8.90	2.31	0.77	0.05	3.03	5.87	3.40
Office Equipments	1.36	1.42	-	2.78	0.88	0.10	-	0.98	1.79	0.47
Computers	1.56	1.24	-	2.80	1.43	0.23	-	1.66	1.14	0.13
Assets Taken on Lease										
Leasehold Land	1.71	-	-	1.71	-	-	-	-	1.71	1.71
Total - Property, Plant and Equipment	**760.86**	**99.64**	**3.30**	**857.20**	**361.79**	**21.95**	**1.14**	**382.60**	**474.60**	**399.06**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Note 4(a): Non Current Assets: Capital in progress

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance as at the beginning of the year	**85.88**	**84.71**
Add: Addition during the year	318.71	56.42
Less: Capitalisation during the year	31.49	55.25
Balance as at the end of the year	**373.10**	**85.88**

CWIP aging schedule

Ageing for Capital – Work – in – Progress as at March 31, 2023 is as follows

(₹ in Crores)

Particulars	Upto 1 year	1 Year to 2 Year	2 Year to 3 Year	>3 Year	Total
Ghugus Project	94.82	45.65	37.16	-	177.63
Surjagarh Mining Project	13.20	-	-	-	13.20
Konsari Project	180.78	1.46	0.03	-	182.27
Total	**288.80**	**47.11**	**37.19**	**-**	**373.10**

Ageing for Capital – Work – in – Progress as at March 31, 2022 is as follows

(₹ in Crores)

Particulars	Upto 1 year	1 Year to 2 Year	2 Year to 3 Year	>3 Year	Total
Ghugus Project	42.56	41.72	0.02	-	84.30
Surjagarh Mining Project	0.09	-	-	-	0.09
Konsari Project	1.41	0.05	0.03	-	1.49
Total	**44.06**	**41.77**	**0.05**	**-**	**85.88**

4(b) Right to Use Account

The estimated impact of Ind AS 116 on the Company's financial statements at 31 March 2023 is as follows:

The details of the right-of-use assets held by the Company as on 31st March, 2023 is as follows:

	Additions for year ended March 31, 2023	Net carrying amount as at March 31, 2023
Building	9.94	9.85
Security Deposit	48.28	47.92
Total	**58.22**	**57.77**

Expenses/ (Income) on right-of-use assets are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Building	0.70	0.18
Depreciation on Security Deposit	0.35	-
Interest on Lease Liabilities	0.77	0.09
Interest on Security Deposit (Income)	(0.05)	-
Total	**1.77**	**0.27**

The details of the right-of-use assets held by the Company as on 31st March, 2022 is as follows:

	Additions for year ended March 31, 2023	Net carrying amount as at March 31, 2023
Building	-	0.60
Security Deposit	-	-
Total	**-**	**0.60**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Expenses/ (Income) on right-of-use assets are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Building	0.18	0.44
Depreciation on Security Deposit	-	-
Interest on Lease Liabilities	0.09	0.25
Interest on Security Deposit (Income)	-	-
Total	**0.27**	**0.69**

Statement of Cash flows:

The total cash outflow for leases is ₹ 0.64 Crores and ₹ 0.25 Crores for years ended March 31, 2023 and 2022, respectively.

NOTE 5 : INVESTMENTS- NON CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(1) Investment in Wholly-Owned Subsidiaries (unquoted - fully paid up):		
i) Thriveni Lloyds Mining Private Limited*	-	0.00
10,000 Equity Shares of ₹ 10/- Each (Previous Year Nil)		
ii) Lloyds Infinite Foundation	0.01	-
10,000 Equity Shares of ₹ 10/- Each (Previous Year Nil)		
	0.01	**0.00**
(2) Equity Investment in Other Companies (unquoted - fully paid up)		
i) Shine Trade & Properties Developers Private Limited	0.02	0.02
(Previously known as Gadchiroli Metals & Minerals Limited)		
19,000 Equity Shares of ₹ 10/- Each (Previous Year 19,000 Equity Shares of ₹ 10 Each)		
ii) Vimala Infrastructure Private Limited	0.01	0.01
(500 Equity Shares of ₹ 10/- Each)		
(Previous Year 500 Equity Shares of ₹ 10 each and share premium ₹ 240/- each)		
iii) Punjab & Maharashtra Co-op. Bank Limited	0.10	0.10
40,000 Equity Shares of ₹ 25/- Each		
(Previous Year 40,000 Equity Shares of ₹ 25/- Each)		
Total Investment in Equity Shares	**0.13**	**0.13**
Less: Impairment in value of Investments	0.10	-
Total investments - Non Current	**0.04**	**0.14**

*Thriveni Lloyds Mining Private Limited has become a 100% Wholly-Owned Subsidiary of the Company w.e.f. 20th January, 2023 it was a joint venture till 19th January, 2023 Previous year it was joint venture with 40% shareholding amount to ₹ 40,000 held by the company.

Aggregate value of quoted and unquoted investments is as follows:

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate value of unquoted investments (net of impairment)	0.04	0.14
Aggregate value of impairment of investments	0.10	-

NOTE 6 : DEFERRED TAX ASSET

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Asset		
Deferred Tax Asset (Ref. Note No.38)	137.38	28.24
Total - Deferred Tax Asset	**137.38**	**28.24**

NOTE 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Security Deposits	36.32	0.87
Total Other Non Current Assets	**36.32**	**0.87**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

NOTE 8 : INVENTORIES

(₹ in Crores)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Raw Materials	37.50	20.87
(b)	Work-in-Progress	0.59	76.49
(c)	Finished Goods	86.59	37.56
(d)	Stores and Spares	133.16	11.11
(e)	Saleable Scrap & By products	6.58	18.46
(f)	Intangible Inventory - Energy Saving certificate	5.33	-
(g)	Intangible Inventory - Certified Emission Reduction (CER's)	-	2.34
Total - Inventories		**269.75**	**166.84**

Note 8(i) : Investments - Current

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment designated at fair value through profit and loss		
Investment in Shares (Quoted shares)	36.79	-
Total - Current Investment	**36.79**	**-**

Aggregate value of quoted and unquoted investments is as follows:

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate value of quoted investments	36.79	-
Aggregate market value of quoted investments	36.79	-

NOTE 9 : TRADE RECEIVABLES - CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good		
Trade Receivables	24.51	23.74
Total - Trade Receivables	**24.51**	**23.74**

Trade Receivables ageing schedule

(₹ in Crores)

Current outstanding as on 31.03.2023		Outstanding for following periods from the date of transaction#					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(a)	Undisputed Trade receivables — considered good	22.99	1.52	-	-	-	24.51
(b)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(c)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(d)	Disputed Trade Receivables— considered good	-	-	-	-	-	-
(e)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(f)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total - Trade Receivables		**22.99**	**1.52**	**-**	**-**	**-**	**24.51**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Trade Receivables ageing schedule

(₹ in Crores)

Current outstanding as on 31.03.2022		Outstanding for following periods from the date of transaction#					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(a)	Undisputed Trade receivables — considered good	23.48	0.25	0.00	0.01	-	23.74
(b)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(c)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(d)	Disputed Trade Receivables— considered good	-	-	-	-	-	-
(e)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(f)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total - Trade Receivables		**23.48**	**0.25**	**0.00**	**0.01**	**-**	**23.74**

Note 9 : (i) Cash and Cash Equivalents

(₹ in Crores)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
I	**Balances with Banks**		
	In Current Accounts	27.27	13.62
	Cash in Hand	0.02	0.11
II	**Other Bank Balance**		
	Earmarked Balances with Bank*	0.29	-
Total	**- Cash and Cash Equivalents**	**27.58**	**13.73**

*Note: Earmarked Balance with banks pertains to Unclaimed Dividend

Note 9 : (ii) Other Balances with Banks

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Bank Balances		
Balance held in Bank as Fixed Deposits*	236.98	8.14
Total - Other Balances with Banks	**236.98**	**8.14**

* Include FDR maintained against Bank Guarantees ₹46.98 Crs. (Previous year ₹ 8.14 Crs.)

Note 9 : (iii) Loan & Advances

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
loan & Advances	25.07	-
Total - Loan & Advances	**25.07**	**-**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

NOTE 10 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Other than Capital Advance			
i)	Advance to Suppliers*	144.21	19.99
ii)	Prepaid Expenses	9.64	1.64
iii)	Advance to Others	1.12	0.70
iv)	Interest Receivable	1.20	0.44
v)	Balance Receivable from Govt. Authorities	169.93	73.68
vi)	Balance Receivable against NSC	0.04	0.04
Total - Other Current Assets		**326.15**	**96.49**

* Advance to suppliers ₹ 144.21 Crs.(Previous year ₹ 19.99 Crs.) regroup in Other Current Assets, Previous Financial Year separately shown as Other Financial Assets - Current.

NOTE 11 : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
AUTHORIZED		
Equity Shares:		
75,00,00,000 Equity Shares of ₹1/- Each	75.00	75.00
(Previous year 75,00,00,000 Equity shares of ₹1/- each)		
Preference Shares :		
2,50,00,000 Preference Shares of ₹10/- each	25.00	25.00
(Previous year 2,50,00,000 Preference Shares of ₹10/- each)		
Total	**100.00**	**100.00**
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
36,87,19,220 Equity Shares of ₹1/- each	36.87	25.17
(Previous year 25,17,49,220 Equity Shares of ₹1/- each)		
Add : 13,61,05,000 Equity Shares of ₹1/- each	13.61	11.70
(Previous year 11,69,70,000 Equity Shares of ₹1/- each)		
(Previous year Shares forfeited - 3,97,875 Equity Shares of ₹10/- each (Amount originally paid-up)	-	0.17
Total - Equity Share Capital	**50.48**	**37.04**

A. During the year, the Company has converted 6,60,00,000 Convertible Warrants into Equity Shares of face value of ₹ 1/- each at a premium of ₹ 8.47/- each, The said convertible warrants were allotted on the terms that they shall be convertible (at the sole option of the warrant holder) at any time within a period of 18 months from the date of allotment of convertible warrants in the ratio of 1:1 issued at par via Preferential Allotment to the listed below company :

S. No.	Name of the Allottees (“Warrant holders”)	No. of convertible warrants allotted
1	Sky United LLP	5,28,00,000.00
2	Blossom Trade & Interchange LLP	1,32,00,000.00
	Total	**6,60,00,000.00**

B. During the year, the Company has converted 1,00,00,000 Optionally Fully Convertible Debentures (“OFCD’s”) into Equity Shares of face value of ₹ 1/- each at a premium of ₹ 19/- each in the conversion ratio of 1:1, issued at par via Preferential Allotment to Thriveni Earthmovers Private Limited (“TEMPL” /“Thriveni”). The said allotted is a co-promoter of the Company.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

C. The Company has allotted 1,05,000 Equity Shares to the Lloyds Employees Welfare Trust under Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017.

D. The Company had allotted 6,00,00,000 OFCD's to Sunflag Iron and Steel Co Limited ("Sunflag") pursuant to Arbitration Award dated 22nd April, 2022 and an Additional / Supplementary Arbitration Award dated 28th April, 2022. Pursuant to the conversion letter received from Sunflag the said allotted 6,00,00,000 OFCD's have been converted into 6,00,00,000 Equity Shares in the ratio of 1:1.

Shares held by promoters at the end of the year

Sr. No	Name of the Promoter	Shares held by Promoters				% Change during the year
		At March 31, 2023		At March 31, 2022		
		No. of Shares	% of total shares	No. of Shares	% of total shares	
i)	Ravi Agarwal	1,17,30,000.00	2.32	1,17,30,000.00	3.18	(0.86)
ii)	Mukesh R Gupta	7,07,300.00	0.14	7,07,300.00	0.19	(0.05)
iii)	Renu R Gupta	12,04,420.00	0.24	12,04,420.00	0.33	(0.09)
iv)	Abha M Gupta	6,69,540.00	0.13	6,69,540.00	0.18	(0.05)
v)	Dipti Akhil Mundhra	5,00,000.00	0.10	5,00,000.00	0.14	(0.04)
vi)	Rajesh R Gupta	12,08,460.00	0.24	12,08,460.00	0.33	(0.09)
vii)	Madhur Rajesh Gupta	96,00,000.00	1.90	96,00,000.00	2.6	(0.70)
viii)	Priyanka Rajesh Gupta	5,00,000.00	0.10	5,00,000.00	0.14	(0.04)
ix)	Shreekrishna M Gupta	96,02,000.00	1.90	96,02,000.00	2.6	(0.70)
x)	Shree Global Tradefin Ltd.	1,57,38,338.00	3.12	1,57,35,742.00	4.27	(1.15)
xi)	ASP Technologies Pvt. Ltd.	3,64,00,340.00	7.21	3,64,00,340.00	9.87	(2.66)
xii)	Triumph Trade & Properties Developers Private Limited	2,91,58,208.00	5.78	2,91,58,208.00	7.91	(2.13)
xiii)	Lloyds Metals And Minerals Trading LLP	3,57,41,529.00	7.08	3,57,41,529.00	9.69	(2.61)
xiv)	Sky United LLP	6,59,54,638.00	13.06	1,31,54,638.00	3.57	9.49
xv)	Thriveni Earthmovers Private Limited	10,00,05,501.00	19.81	9,00,02,906.00	24.41	(4.60)
xvi)	Blossom Trade and Interchange LLP	1,32,00,000.00	2.61	-	-	2.61
	Total	**33,19,20,274.00**	**65.74**	**25,59,15,083.00**	**69.41**	**(3.67)**

(A) Reconciliation of number of shares:

Particulars	At March 31, 2023		At March 31, 2022	
	Number of shares	Amount in Crores	Number of shares	Amount in Crores
Equity Shares				
At the beginning of the year	36,87,19,220.00	36.87	25,17,49,220	25.17
Issued During The Year	13,61,05,000.00	13.61	11,69,70,000	11.70
Outstanding at the end of the year	**50,48,24,220.00**	**50.48**	**36,87,19,220**	**36.87**

(B) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

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

Particulars	At March 31, 2023		At March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹1/- each fully paid-up				
Thriveni Earthmovers Private Limited	10,00,05,501	19.81	9,00,02,906	24.41
SKY UNITED LLP	6,59,54,638	13.06	1,31,54,638	3.57
Sunflag Iron and Steel Co. Limited	6,00,00,000	11.89	-	-
ASP Technologies Private Ltd.	3,64,00,340	7.21	3,64,00,340	9.87
Lloyds Metals and Minerals Trading LLP	3,57,41,529	7.08	3,57,41,529	9.69
Triumph Trade & Properties Developers Private Ltd.	2,91,58,208	5.78	2,91,58,208	7.91
Clover Media Private Limited	2,63,28,495	5.22	2,66,50,000	7.23

NOTE 12 : OTHER EQUITY

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Reserves and surplus		
(a) Capital Reserve		
Opening Balance	77.61	77.56
Movement during the year	0.17	-
Closing Balance (A)	**77.79**	**77.56**
(b) Share premium		
Opening Balance	212.87	24.06
Add: Received on conversion Warrants	55.90	-
Add: Received on conversion OFCD	1,239.10	188.32
Add: Received on issue of ESOP	0.17	0.49
Closing Balance (B)	**1,508.04**	**212.87**
(c) Share Warrant application money		
Opening Balance	15.63	15.63
Transfer to Equity shares	(15.63)	-
Closing Balance (C)	**-**	**15.63**
(d) Equity Component of Optionally Fully convertible Debentures		
Opening Balance	2.39	2.39
Transfer to Equity shares	(2.39)	-
Closing Balance (D)	**-**	**2.39**
(e) Retained Earnings		
Opening Balance	134.47	37.17
Add: Transfer from SBP Reserve	0.44	-
Add: OFCD Interest on Early settlement	58.05	-
Add: Profit for the year	(288.54)	97.30
Less: Dividend for the year 2021-22	22.24	-
Closing Balance (E)	**(117.82)**	**134.47**
(f) Other Comprehensive Income (OCI)		
Opening Balance	1.09	0.36
Add: Movement in OCI (Net) during the year	2.07	0.73
Closing Balance (F)	**3.16**	**1.09**
(g) Share Based Payment Reserve		
Opening Balance	0.52	0.70
Add: Movement during the year	6.91	0.21
Less : Transfer to Share premium	0.14	0.39
Closing Balance (G)	**7.29**	**0.52**
Total - Other Equity	**1,478.47**	**444.53**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023

NOTE 13 : BORROWINGS - NON- CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term Loan from Banks and Financial Institutions (Ref. Note 13(a))	-	56.72
	-	**56.72**
Unsecured	-	-
Total - Long Term Borrowings	**-**	**56.72**

Note No. 13(a) : The term loans from Banks and financial institutions is Nil (Previous Year 56.72 Crs.) was secured by way of hypothecation/ mortgage on specified Plant & Machinery/assets & motor vehicles. Refer Note No.36.

Note 13 (i) : Lease Liabilities - Non Current

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities (Ref. Note No.4(b))	2.19	0.43
Total - Lease Liabilities	**2.19**	**0.43**

NOTE 14 : PROVISIONS - LONG TERM

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Unfunded Gratuity Liability (Refer Note No. 28)	13.45	4.58
Unfunded Compensated Absences Liability	1.19	0.78
Provision for Others		
Site Restoration Mines	7.92	-
Total - Long Term Provisions	**22.56**	**5.36**

NOTE 15 : OTHER NON CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Long Term Liabilities	-	161.43
Total - Other Non Current Liabilities	**-**	**161.43**

Note 16(i) : Lease - Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities	0.61	0.21
Total - Lease Liabilities	**0.61**	**0.21**

Note 16(ii) : Trade Payables - Current

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro, Small and Medium Enterprises (Refer note no. 16(ii)(a))	-	-
Dues to creditors other than Micro, Small and Medium Enterprises	74.53	15.18
Total - Trade Payables	**74.53**	**15.18**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Trade Payables ageing schedule

(₹ in Crores)

Particulars	Outstanding for following periods from the date of transaction#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Ageing schedule as on 31.03.2023					
(i) MSME	-	-	-	-	-
(ii) Others	74.43	0.03	0.04	0.02	74.53
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total - Trade Payable	**74.43**	**0.03**	**0.04**	**0.02**	**74.53**

Trade Payables ageing schedule

(₹ in Crores)

Particulars	Outstanding for following periods from the date of transaction#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Ageing schedule as on 31.03.2022					
(i) MSME	-	-	-	-	-
(ii) Others	13.36	0.62	0.52	0.68	15.18
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total - Trade Payable	**13.36**	**0.62**	**0.52**	**0.68**	**15.18**

Note no. 16(ii)(a): There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2023 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Note 16(iii) : Other Financial Liabilities - Current

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Maturity of long term debts - Secured	-	13.50
Current Maturity of long term debts - Unsecured	1.57	6.32
Liability component of Optionally fully convertible debenture	-	18.88
Interest Accrued but not due	-	0.13
Total - Other Financial Liabilities	**1.57**	**38.84**

NOTE 17 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, GST etc.)	12.97	13.07
(b) Advances from Customers*	305.82	35.63
(c) Overdraft from HDFC Bank	61.40	-
(d) Other payables	0.19	0.05
(e) Salaries and Wages payable	3.11	1.31
Total - Other Current Liabilities	**383.49**	**50.05**

* Advance from Customers ₹ 305.82 Crs. (Previous year ₹ 35.63 Crs.) regroup in Other Current Liabilities. Last year shown as Other Financial Liabilities-Current.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

NOTE 18 : PROVISIONS -CURRENT

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Unfunded Gratuity & Compensated absences	1.92	0.41
Bonus to Employee	0.69	0.60
Provision for Others		
Expenses	9.51	12.92
Total - Provisions	**12.12**	**13.93**

NOTE 19 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Sale of Products		
Finished Goods	3,276.91	637.58
Power Sales	66.12	43.94
Other Operating Revenues	49.28	15.98
Total - Revenue from Operations	**3,392.31**	**697.50**

NOTE 20 : OTHER INCOME

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest Income	5.67	0.61
Other Non-Operating Income	10.72	0.81
Profit on Sale of Asset	-	0.01
Industrial Promotion Subsidy Refund	36.91	27.66
Dividend Income	0.02	-
Profit on sale of share or investment	7.24	-
Sundry Balance Written back	13.90	0.67
Total - Other Income	**74.46**	**29.75**

NOTE 21 : COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Iron Ore/Pellet	96.36	176.88
(b) Coal	404.90	194.47
(c) Dolomite	3.09	1.92
Total - Cost of Material Consumed	**504.35**	**373.27**

Note 21(a) : Exceptional items

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Exceptional Item	1,194.40	51.36
Total - Exceptional Item	**1,194.40**	**51.36**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

During the current year, the above exceptional item has arisen pursuant to an arbitration award under which the company is liable to pay the amount. There is no cash outflow for the company as the amount is being paid by way of 0% Optionally Fully Convertible Debentures (OFCD's). In the previous year exceptional item pertains to amount in relation to Coal cess which was no longer receivable from Govt., hence written off.

NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Opening inventory:		
(i) Finished Goods	37.57	18.71
(ii) Saleable Scrap & By products	18.46	46.60
(iii) Work-in-Process	76.49	0.25
(iv) Traded Goods	2.34	8.90
Total (a)	**134.86**	**74.46**
(b) Closing inventory:		
(i) Finished Goods	86.59	37.56
(ii) Saleable Scrap & By products	6.57	18.46
(iii) Work-in-Process	0.59	76.49
(iv) Traded Goods	5.33	2.34
Total (b)	**99.08**	**134.86**
Total (a-b)	**35.78**	**(60.40)**

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Salaries and Wages	29.79	15.43
Contributions to Provident and other Funds	1.48	1.02
Expense on Employee Stock Option Scheme (ESOP) (Refer Note No.35)	7.35	0.21
Staff Welfare Expenses	1.97	0.32
Gratuity & Leave Encashment Expenses (Refer Note No. 28)	13.03	0.74
Remuneration to Managing Director	0.64	0.64
Total - Employee Benefit Expenses	**54.26**	**18.35**

NOTE 24 : FINANCE COSTS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest Expense:		
(i) Fixed Loans	4.87	10.18
(ii) Others*	59.06	5.81
Finance Charges :		
(i) Bills Discounting Charges	-	0.63
(ii) Bank Charges & Commission	1.11	1.52
Total - Finance Cost	**65.04**	**18.14**

*Other finance cost includes Optionally Fully Convertible Debentures (OFCD's) Interest ₹ 56.60 Crores for the FY22-23, as per the reporting compliance of IND AS. There is no cash outflow for the Company as they are 0% Optionally Fully Convertible Debentures (OFCD's).

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

NOTE 25 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation (Refer Note No. 4)	21.95	17.80
Depreciation Lease Ind AS 116 (Refer Note No.4(b))	1.05	0.18
Total -Depreciation and Amortisation Expenses	**23.00**	**17.98**

NOTE 26 : OTHER EXPENSES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Power Consumption	3.79	2.13
Fuel Consumption	0.90	0.73
Water Charges	0.79	0.78
Stores & Spares Consumed	40.55	9.49
Repairs & Maintenance to Plant	6.35	1.75
Other Manufacturing Expenses	1,069.92	114.95
Total - Manufacturing Expenses	**1122.30**	**129.82**
Selling and Distribution Expenses		
Local Freight	706.66	72.30
Rebate & Discount	39.21	5.85
Selling Expenses	71.47	2.09
Total - Selling and Distribution Expenses	**817.34**	**80.23**
Administrative Expenses		
Insurance	1.39	0.58
Travelling & Conveyance	3.62	1.13
Rent, Rates & Taxes	11.41	0.67
Legal , Professional & Consultancy Charges	14.18	2.68
Repairs & Maintenance to Building	0.26	0.14
Repairs & Maintenance to others	0.86	0.18
Other Expenses	11.18	1.91
Sundry Balance Written Off	0.15	2.95
Payment to Auditors (Refer Note 26(a))	0.08	0.04
Director Sitting Fees	0.03	0.03
Corporate social responsibility (CSR) expenditure (refer Note 26(b))	1.16	0.28
Loss on Sale of Fixed Assets	3.66	0.10
Total - Administrative Expenses	**47.98**	**10.68**
Total - Other Expenses	**1,987.62**	**220.74**

Note 26(a) : Payment to auditor

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) To statutory auditors		
- Statutory Audit Fees	0.03	0.03
- Tax Audit & Certifications	0.01	0.01
- Expenses Reimbursed	0.03	0.00
(b) To others		
- Cost Audit fees	0.00	0.00
- Secretarial Audit fees	0.01	0.00
Total - Payment to auditor	**0.08**	**0.04**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Note 26(b) : Corporate social responsibility (CSR) expenditure

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amount required to be spent as per Section 135 of the Company Act. 2013	0.68	0.23
Amount spent during the year on :		
1) Construction/ acquisition of any assets	-	-
2) On purposes other than (1) above	1.16	0.28
Total - Corporate social responsibility (CSR) expenditure	**1.16**	**0.28**

NOTE 27 : DEFERRED TAX

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Income	109.14	9.51
Total -Deferred Tax Income	**109.14**	**9.51**

The Company has determined that there is a reasonable certainty that sufficient profits will be available in future to recoup unabsorbed depreciation and carried forward losses and accordingly deferred tax has been recognised on those losses under Ind AS provisions.

28. DISCLOSURE AS REQUIRED BY THE IND AS -19 "EMPLOYEES BENEFIT" IS GIVEN BELOW:

Defined benefit plan: The Company operates one defined benefit plan, viz., gratuity & Leave Encashment benefit, for its employees. The Gratuity & Leave Encashment plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. The company does not have any fund for gratuity liability or Leave liability and the same is accounted for as provision.

Under the other long term employee benefit plan, the company extends the benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement / separation or during tenure of service. The Plan is not funded by the company.

The details of defined benefit obligations are as under:

(₹ in Crores)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
1.	Obligation as at beginning of the year	4.94	5.08	0.83	1.01
2.	Current service cost	1.53	0.49	0.72	0.27
3.	Interest cost	0.37	0.35	0.06	0.07
4.	Liabilities transferred	10.56	-	0.01	-
5.	Benefits paid	(0.08)	(0.25)	(0.10)	(0.08)
6.	Re-measurements	(2.07)	(0.73)	(0.20)	(0.44)
7.	Obligation as at Close of the year	15.25	4.94	1.32	0.83
8.	Current portion	1.79	0.36	0.13	0.05
9.	Non-current portion	13.46	4.58	1.19	0.78
	Total	**15.25**	**4.94**	**1.32**	**0.83**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
1.	Current service cost	1.53	0.49	0.72	0.27
2.	Interest cost	0.37	0.35	0.06	0.07
	Total	**1.90**	**0.84**	**0.78**	**0.34**

Amount recognized in other comprehensive income:

(₹ in Crores)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
1.	Re-measurements	(2.07)	(0.73)	(0.20)	(0.44)
	Total	**(2.07)**	**(0.73)**	**(0.20)**	**(0.44)**

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Existing assumptions:

(₹ in Crores)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
1.	Discount rate	7.40%	6.80%	7.40%	6.50%
2.	Rate of salary increase	8.50%	8.50%	8.50%	8.50%
3.	Withdrawal / Attrition rate	1%	1%	1%	1%
4.	Mortality rate	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)
5.	Retirement age	60 years	60 years	60 years	60 years

Note: The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

(₹ in Crores)

Particulars	Change in assumption	Gratuity		Leave Encashment	
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discount Rate	+1%	13.83	4.47	1.17	0.72
	-1%	17.11	5.50	1.49	0.91
Salary Growth Rate	+1%	16.88	5.48	1.48	0.94
	-1%	13.83	4.47	1.17	0.75
Withdrawal rate	+1%	15.19	4.92	1.31	0.83
	-1%	15.32	4.96	1.32	0.84

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

The table below summarizes the maturity profile and duration of the Gratuity & Leave encashment liability:

(₹ in Crores)

Particulars	Gratuity		Leave Encashment	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Within one year	1.79	0.36	0.13	0.05
Within one to three years	0.53	0.24	0.04	0.03
Within three to five years	0.85	0.44	0.10	0.08
Above five years	12.08	3.90	1.05	0.67
Weighted average duration (in years)	9.37 years	12.97 years	9.37 years	12.97 years

29. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Fair values

1. The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.

2. Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (noncurrent) consists of interest accrued but not due on deposits, other financial assets consist of employee advances where the fair value is considered based on the discounted cash flow.

3. The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

   The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

   Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crores)

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2023		As at 31st March, 2023		As at 31st March, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Non-current						
(i) Investments	-	-	0.04	0.04	-	-
Current						
(i) Trade Receivables	24.51	24.51	-	-	-	-
(ii) Cash and Cash Equivalent	27.58	27.58	-	-	-	-
(iii) Bank Balances Other than(ii)above	236.98	236.98	-	-	-	-
(iv) Other Financial Assets	-	-	-	-	-	-
(v) Prepayments	-	-	-	-	-	-
(VI) Investments	-	-	30.13	36.79	-	-
Total Financial assets	**289.07**	**289.07**	**30.17**	**36.83**	**-**	**-**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2023		As at 31st March, 2023		As at 31st March, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities						
Non-current						
(i) Borrowings	-	-	-	-	-	-
Current						
(i) Borrowings	-	-	-	-	-	-
(ii) Trade Payables	74.53	74.53	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	-	-	-
Total Financial liabilities	**74.53**	**74.53**	**-**	**-**	**-**	**-**

30. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

A) Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimize the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management and internal/ external experts subject to necessary supervision.

The Company does not undertake any speculative transactions either through derivatives or otherwise. The senior management is accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance framework, policies and procedures. The Board of Directors periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

B) Foreign currency Risk

Foreign exchange risk arises on all recognised monetary assets and liabilities and on highly probable forecasted transactions which are denominated in a currency other than the functional currency of the Company. The Company does not have any foreign currency trade payables and receivables.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency.

No Forward contracts were entered into by the company either during the year or previous years since the company has very minimum exposure to foreign currency risk.

i) Price risk

The Company uses surplus funds in operations and for further growth of the company. Hence, there is no price risk associated with such activity.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party the risk of deterioration of creditworthiness of the counterparty as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses. The Company is exposed to credit risk mainly with respect to trade receivables.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured. As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by the concerned team based on the Company's established policy and procedures and by setting appropriate payment terms and credit period. The credit period provided by the Company to its customers depends upon the contractual terms with the customers.

The ageing analysis of trade receivables as at the reporting date is as follows:

(₹ in Crores)

Particulars	Less than six months	More than six months
Trade Receivables as at March 31, 2023	22.99	1.52
Trade Receivables as at March 31, 2022	23.48	0.26

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due or there are some disputes which in the opinion of the management is not in the Company's favor. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents and cash generated from operations will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Crores)

Particulars	As at March 31, 2023	
	Less than six months	More than six months
Trade payables	73.38	1.15
Other financial liabilities	1.57	-
Total Financial liabilities	**74.95**	**1.15**

Particulars	As at March 31, 2022	
	Less than six months	More than six months
Trade payables	12.53	2.65
Other financial liabilities	28.41	10.42
Total Financial liabilities	**40.94**	**13.07**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

C) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and/ or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

31) CAPITAL MANAGEMENT

Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

	Year ended March 31, 2023	Year ended March 31, 2022
Borrowing		
Current	-	-
Non-Current	-	56.72
Total Debts	**-**	**56.72**
Cash and Marketable Securities	254.37	13.73
Net Debts	**(254.37)**	**42.99**
Equity		
Equity Share capital	50.48	37.04
Other Equity	1478.47	444.54
Total capital	**1528.95**	**481.58**
Gearing ratio in % (Net Debts/capital)*	**-**	**8.93%**

*Notes: Gearing ratio for the Current Financial year not calculated as NIL Debts as of 31.03.2023 (Previous year ₹ 56.72 Crs.)

32) RELATED PARTY DISCLOSURES:

Disclosure on Related Party Transactions as required by Ind AS 24 – Related Party Disclosures is given below:

A) 100% Wholly Owned Subsidiary Comapny	
1) Thriveni Lloyds Mining Private Limited	
2) Lloyds Infinite Foundation	

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

B. Key Managerial Personnel:

Sr. No.	Name	Designation
1	Mr. Babulal Agarwal	Managing Director
2	Mr. Riyaz Shaikh	Chief Financial Officer
3	Ms. Trushali Shah	Company Secretary

C. Close family members of Key Managerial Personnel who are under the employment of the Company:

D. Entities where Directors / Close family members of Directors have control / significant influence:

Directors/closed family members having control/significant influence
1) Lloyds Steels Industries Limited
2) Thriveni Earthmovers Private Limited
3) Thriveni Logistics Services LLP
4) Mandovi River Pellets Private Limited
5) Brahmani River Pellets Limited
6) Trofi Chain Factory Private Limited
7) Lloyds Employees Welfare Trust

E. Details of chairman and Directors of the company:

Names	Nature of relationship
Directors	
Mr. Mukesh Gupta	Director (Chairman)
Mr. Rajesh Gupta	Director
Mr. Madhur Gupta	Director
Mr. Devidas Kambale	Independent Director
Mr. Jagannath Dange	Independent Director
Mrs. Bhagyam Ramani	Independent Women Director
Mr. Balasubramanian Prabhakaran	Director
Mr. Ramesh Luharuka	Independent Director
Dr. Seema Saini	Independent Director
Dr. Satish Wate	Independent Director
Mr. Munnangi Venkata Subba Rao	Independent Director

Terms and conditions of transactions with related parties

1. The Company has been entering into transactions with related parties for its business purposes. Related party vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of:

    (a) Supplying products primarily to the Company,

    (b) Advanced and innovative technology.

    (c) Customisation of products to suit the Company's specific requirements, and

    (d) Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits-notably on working capital.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in business transactions.

Details of compensation & remuneration to Key Managerial Persons (KMPs)

(₹ in Crores)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Nature of transaction		
Short-term employee benefits	2.03	1.05
Post-employment benefits	0.15	0.13
Other Long-term benefits	1.01	0.09
Termination benefits	-	-
Total compensation to key management person	**3.19**	**1.27**

Details of transactions with and balance outstanding of Key Managerial personnel (KMP) / Close Family Member of Key Managerial Personnel:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2022 – 23		Year 2021 – 22	
		Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
Mr. Babulal Agarwal	Remuneration	0.65	0.0312	0.65	-
	Dividend	-	-	-	-
Mr. Riyaz Shaikh	Remuneration	0.45	0.024	0.37	-
	Dividend	0.0079	-	-	-
	ESOP	0.87	-	2.06	-
Ms. Trushali Shah	Remuneration	0.0567	0.0043	0.0213	-
	Dividend	-	-	-	-

Details of transactions with and balance outstanding of Directors:

(₹ in Crores)

Name of the Director	Nature of transaction	Year 2022 – 23		Year 2021 – 22	
		Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
Mr. Balasubramanian Prabhakaran	Sitting Fees	0.0022	0.0002	0.001	-
	Dividend	-	-	-	-
Mrs. Bhagyam Ramani	Sitting Fees	0.0018	-	0.0024	-
	Dividend	-	-	-	-
Mr. Devidas Kambale	Sitting Fees	0.0044	0.0002	0.0044	-
	Dividend	-	-	-	-
Dr. Satish Wate	Sitting Fees	0.0006	-	-	-
	Dividend	-	-	-	-
Dr. Seema Saini	Sitting Fees	0.0012	0.0002	0.0002	-
	Dividend	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Name of the Director	Nature of transaction	Year 2022 – 23		Year 2021 – 22	
		Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
Mr. Jagannath Dange	Sitting Fees	0.0038	-	0.0038	-
	Dividend	-	-	-	-
Mr. Munnangi Venkata Subba Rao	Sitting Fees	0.0002	-	-	-
	Dividend	-	-	-	-
Mr. Madhur Gupta	Sitting Fees	0.0022	0.0004	0.002	-
	Dividend	0.48	-	-	-
Mr. Mukesh Gupta	Sitting Fees	0.0014	-	0.004	-
	Dividend	0.035	-	-	-
Mr. Rajesh Gupta	Sitting Fees	0.0040	0.0004	0.0036	-
	Dividend	0.06	-	-	-
Mr. Ramesh Luharuka	Sitting Fees	0.0032	-	0.0018	-
	Dividend	-	-	-	-

Details of transactions with and balances outstanding of Entities Controlled / Significantly influenced by Directors / Close Family Members of Directors

(₹ in Crores)

Name of the Related Party	Nature of transaction	Year 2022 – 23		Year 2021 – 22	
		Transaction Value	Outstanding / (advances) Amount	Transaction Value	Outstanding / (advances) Amount
Thriveni Earthmovers Private Limited	Other Services Paid- Mining charges	833.36*	(76.45)	53.32	(0.97)
	OFCD-Interest	0.21		-	
Lloyds Steels Industries Limited	Other Services Paid- Capex Procurement	288.22*	(75.23)	19.56	(0.76)
	ICD-Interest	-		0.41	
Trofi Chain Factory Private Limited	Other Services Paid	0.00039*	-	-	-
Thriveni Logistics Services LLP	Other Services Paid- Transportation service	0.53*	-	-	-
Lloyds Infinite Foundation	Other Services Paid- Donation for CSR	0.72*	-	-	-
Mandovi River Pellets Private Limited	Sale of Goods	9.91	(6.71)	-	-
Brahmani River Pellets Limited	Sale of Goods	8.19	-	-	-
Thriveni Lloyds Mining Private Limited	Other Services Paid- Transportation service	-	-	9.47	-
Lloyds Employees Welfare Trust	Other Services Paid- Loan	0.04	-	12.80	(0.05)

* Inclusive of GST

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

33) EARNINGS PER SHARE (EPS)

Particulars			2022-2023	2021-2022
Weighted average number of equity share for basic EPS	(A)	Nos	44.16	34.08
Add: Potential equity shares		Nos	4.79	1.48
Weighted average number of equity shares for diluted EPS	(B)	Nos	48.95	35.56
Face value of equity share (fully paid)			1	1
Profit attributable to equity shareholders for	(C)			
Basic	₹ in Crores		(288.55)	97.38
Diluted EPS	₹ in Crores		(231.77)	98.91
Earnings per equity share				
Basic	(C/ A)	₹	(6.53)	2.85
Diluted	(C/ B)	₹	(4.74)*	2.78

*Note:- As per Ind AS-33 if Diluted EPS is higher than basic EPS then diluted EPS would be same as basic EPS.

34) CONTINGENT LIABILITY

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Letter of Credit/Guarantees issued by Banks	46.98	13.56
(b) Disputed claims of Excise	16.19	16.88
(c) Demand notice by Income tax	33.68	32.01
(d) Claims against the Company not acknowledged as Debts	3.21	3.21

35) SHARE BASED PAYMENTS PLANS (ESOP)

The Company introduced “LLOYDS METALS AND ENERGY LTDESOP – 2017” which covers the eligible employees of the Company and its subsidiaries. The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 5 (Five) years.

Details of “LLOYDS METALS AND ENERGY LTD. ESOP – 2017

Date of Grant	Options granted	Weighted average fair value of options	Exercise Price
20-Sep-2018	63,61,640	₹ 13.37/-	4.00
31-Jan-2019	3,05,000	₹ 10.61/-	4.00
26-Dec-2022	36,75,000	₹. 202.40/-	4.00

The fair value of the options was estimated on the date of grant using the Black Scholes with the following assumptions:

Grant date	Vest date	Historical Volatility	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
20-Sep-2018	20-Sep-2019	64.49%	2.50	8.02%	0.00%
20-Sep-2018	20-Sep-2020	71.77%	3.50	8.08%	0.00%
20-Sep-2018	20-Sep-2021	72.44%	4.50	8.09%	0.00%

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Grant date	Vest date	Historical Volatility	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
20-Sep-2018	20-Sep-2022	73.77%	5.50	8.12%	0.00%
31-Jan-2019	20-Sep-2020	66.72%	3.14	6.98%	0.00%
31-Jan-2019	20-Sep-2021	70.13%	4.14	7.18%	0.00%
31-Jan-2019	20-Sep-2022	70.54%	5.14	7.22%	0.00%

The fair value of the options was estimated on the date of grant using the Simplifies Method with the following assumptions:

Grant date	Vest date	Historical Volatility	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
26-Dec-2022	26-Dec-2023	54.16%	2.50	6.98%	0.24%
26-Dec-2022	26-Dec-2024	60.47%	3.50	7.12%	0.24%
26-Dec-2022	26-Dec-2025	58.53%	4.51	7.21%	0.24%
26-Dec-2022	26-Dec-2026	58.60%	5.51	7.26%	0.24%
26-Dec-2022	26-Dec-2027	60.48%	6.51	7.29%	0.24%

The information covering stock options is as follows:

Particulars	ESOP 2017	
	As at 31stMarch, 2023	As at 31stMarch, 2022
Outstanding at the beginning of the year (A)	4,70,000	7,90,000
Exercisable at the beginning of the year (B)	1,20,000	13,25,820
Granted (C)	36,75,000	-
Options Vested during the year (D)	1,05,000	3,20,000
Forfeited /Lapsed (E)	3,65,000	-
Exercised (F)	2,25,000	15,25,820
Outstanding at the end of the year(A+C-D-E)	36,75,000	4,70,000
Exercisable at the end of the year (B+D-F)	-	1,20,000

Since equity shares are listed hence for the purpose of calculating volatility, volatility of shares based on the expected life is considered.

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows.

(₹ in Crores)

Particulars	2022-23	2021-22
SBP Expenses	7.35	0.21
Total employee share-based payment expense	**7.35**	**0.21**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

36) BORROWING – NON-CURRENT

(₹ in Crores)

Particulars		As at 31st March, 2023		As at 31st March, 2022	
		Non-Current	*Current Maturities	Non-Current	*Current Maturities
A)	**Secured- At Amortized Cost**				
	a) Term Loans				
	i) NBFC's	-	-	40.00	9.00
	ii) Banks	-	-	16.28	4.14
	b) Other loan	-	-	0.44	0.36
B)	**Unsecured- At Amortized Cost**				
	a) Deferred payment Liabilities	-	-	-	-
	b) Loan from Body Corporate	-	-	-	-
	Total	**-**	**-**	**56.72**	**13.50**

(*Amount disclosed under Current Maturities (Refer Note 16 (iii)).

The monthly statement of the current assets filed by the company with Bank is in agreement with the books of accounts.

37) SEGMENT REPORTING UNDER IND AS – 108

Disclosures as required by the Ind AS - 108 on "Segment Reporting" are given below:

For management purposes, the Company is organized into business units based on its services and has three reportable segments, as follows:

i) The Sponge Iron segment which includes production and manufacturing of Sponge Iron.

ii) The Mining Segment which includes Extraction of Iron Ore from Mines.

iii) The Power segment which includes generation of power.

(₹ in Crores)

Sr. No.		As at 31st March, 2023				As at 31st March, 2022			
		Sponge Iron	Power	Mining	Consolidated	Sponge Iron	Power	Mining	Consolidated
a)	**Segment Revenue:**								
	Sales:								
	External	748.99	75.01	2651.10	3475.10	445.42	49.73	237.97	733.12
	less: Inter division transfer	-	8.33	-	8.33	-	5.86	-	5.86
	Total	**748.99**	**66.68**	**2651.10**	**3466.77**	**445.42**	**43.87**	**237.97**	**727.25**
b)	**Segment Result:**								
	Operating Net Profit	248.69	41.80	680.41	970.90	28.20	21.24	121.28	170.72
	Common Expenses (Net)	-	-	-	-	-	-	-	(13.42)
	Finance cost	-	-	-	(65.04)	-	-	-	(18.14)
	Exceptional Item	-	-	-	(1194.40)	-	-	-	(51.36)
	Profit before tax	-	-	-	(288.54)	-	-	-	87.80
c)	**Share of Profit / (Loss) before Tax**	-	-	-	(0.01)	-	-	-	0.07
c)	**Segment Assets:**	915.61	205.18	482.98	1603.77	400.31	209.59	191.96	801.86

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Sr. No.		As at 31st March, 2023				As at 31st March, 2022			
		Sponge Iron	Power	Mining	Consolidated	Sponge Iron	Power	Mining	Consolidated
	Common Assets	-	-	-	422.26	-	-	-	21.87
	Total	**915.61**	**205.18**	**482.98**	**2026.03**	**400.31**	**209.59**	**191.96**	**823.73**
d)	**Segment Liabilities:**	**60.88**	**6.73**	**350.68**	**418.29**	**89.06**	**0.05**	**15.15**	**104.26**
	Common Liabilities	-	-	-	54.03	-	-	-	13.95
	Total	**60.88**	**6.73**	**350.68**	**472.32**	**89.06**	**0.05**	**15.15**	**118.21**
e)	Capital Employed (including goodwill) Segment assets – segment liabilities	854.73	198.45	132.29	1185.48	311.25	209.54	176.81	697.60
f)	Common assets/Liabilities	-	-	-	368.33	-	-	-	7.92
	Total	**854.73**	**198.45**	**132.29**	**1553.71**	**311.25**	**209.54**	**176.81**	**705.52**

38) a) The Company does not envisage any liability for income tax for the current year in absence of any taxable income.

i) The major component of the Tax expenses are

(₹ in Crores)

Particulars	**As at 31stMarch, 2023**	**As at 31stMarch, 2022**
Current Income Tax		
For the Year	-	-
Deferred Tax recognized during the year in the P/L	**(109.14)**	**(9.51)**

ii) The Analysis of Deferred Tax Assets and expenses is as follows

Particulars	**As at 31stMarch, 2023**	**As at 31stMarch, 2022**
Deferred Tax Assets		
Brought Forward Losses	147.81	49.51
Leasehold Assets as per IND AS 116	0.10	0.01
Employee Benefits	6.71	0.13
Fair value of investment as per IND AS	(1.14)	-
Depreciation on Property, Plant and Equipment	(16.10)	(21.41)
Net Deferred Tax Assets	**137.38**	**28.24**

iii) The Movement in deferred tax assets and liabilities during the year is as follows

(₹ in Crores)

Particulars	**As at 31stMarch, 2023**	**As at 31stMarch, 2022**
Opening Balance	**28.24**	**18.73**
Tax (expenses)/ Income recognised in the statement of Profit and Loss	109.14	9.51
Tax (expenses)/ Income recognised in OCI	-	-
Closing Balance	**137.38**	**28.24**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

39) FINANCIAL RATIOS:

The Ratios as per latest amendment to Schedule III are as below:

Sr. No.	Particulars	Numerator	Denominator	2022-23	2021-22	Remarks
1	Current Ratio	Current Assets	Current Liabilities	2.01	2.61	The variation in Current ratio is primarily due to increase in current liabilities on account of advance from customers
2	Debt-Equity Ratio	Total Debt (Non-Current & Current -Borrowing and Lease liability)	Shareholders' Equity	-	0.21	The Company has paid all its dues during the year and Debt stands at NIL as on Reporting Date
3	Return on Equity (%) (Adjusted)	Profit after taxes (PAT) excluding Exceptional items	Shareholder's equity	59.25	31.91*	The return has improved as the company has improved its EBITDA significantly on account of increase in activity.
4	Inventory Turnover ratio (in times)	Revenue from operations	Average inventory	15.54	4.94	Increase in mining activities and higher production has resulted in higher Inventory Turnover
5	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	140.62	45.52	Increase in ratio is due to higher sales realisation and up-stick in volume led by Increase in mining operations.
6	Trade payables turnover ratio (in times)	Purchase of goods	Average trade payables	11.61	14.97	Reduction in purchases due to availability of captive raw material and better payment terms availed due to improved fund inflows has helped in the improvement in ratio.
7	Net capital turnover ratio (in times)	Revenue from operations	Net Working capital	7.15	3.66	Better availability of fund on account of Increased activity resulting in improvement in ratio.
8	Net profit ratio (%)	Net Profit Before Tax and Exceptional Items	Revenue from operations	23.49	19.95	Net Profit Margin has increased mainly due to improved operating profits due to Increase in mining operations.
9	Return on Capital employed (%)	Earnings before interest and taxes	Capital employed	55.47	22.30$	Increase in mining activities and higher production & sales volume has resulted in improvement of this ratio.

*Return on Equity ratio for the previous financial year has been restated as adjusted PAT considered for the calculation of ratio in line with the current financial year.

$Return on capital employed for the previous financial year has been restated and calculated in line with the current financial year.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

40) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amount required to be spent by the company during the year	0.68	0.23
1) Amount of the expenditure incurred	1.16	0.26
2) Reason for shortfall	NA	NA
3) Nature of CSR Activities	Promoting education, Promoting health including health care and Providing clean drinking water	

41) Previous year's figures are regrouped and rearranged wherever necessary.

42) As at 31st March 2023, consolidated financial statements of Lloyds Metals and Energy Limited have been prepared on the basic of audited financial statement of Thriveni Lloyds Mining Private Limited.

43) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 25th April, 2023.

As per our Report of even date

For **Todarwal & Todarwal LLP**
Chartered Accountants
Firm Registration No W100231

Sd/-
Kunal Todarwal
Partner
Membership No 137804

Place : Mumbai
Date : 25th April 2023

For and on behalf of the Board of Directors of
Lloyds Metals and Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s. Lloyds Metals and Energy Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **M/s. Lloyds Metals and Energy Limited** (hereinafter referred to as the "Holding Company") and its jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on 31st March, 2022, and notes to Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of the consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Optionally Fully Convertible Debenture**

   Refer Notes 12 and 16(iii) to the Consolidated Financial Statements

   The Holding Company has entered into an agreement during the F.Y. 2021-22, with Thriveni Earthmovers Private Limited for the issue of 3% Optionally Fully Convertible Debenture ("OFCDs") amounting to ₹ 20,00,00,000/- These may be converted at the option of Debenture holder within a time frame of not exceeding 18 months from the date of allotment into one fully paid-up Equity shares of ₹ 1/- each of the Holding Company at a price of ₹ 20 (including premium of ₹ 19) per share. The OFCDs shall carry simple interest @ 3% p.a. payable on half yearly basis commencing from 28th June 2021.

   A compound financial instrument is a debt instrument with an embedded conversion option into ordinary equity shares. The management has considered the above instrument as a Compound Financial Instrument which comprises two components: a financial liability and an equity instrument.

   As at 31st March 2022, the carrying value of OFCDs liability component and an equity component is ₹ 1888.26 lakhs and ₹ 239.42 lakhs respectively, based on the provisions of IND AS 32.

   The management has used its judgements and estimates in presentation and disclosure of the aforementioned instrument in accordance with the principles of IND AS 32, Financial Instrument: Presentation.

   Auditors Response:

   Our audit procedures to assess the accounting of the OFCDs included the following:

   1) Obtained understanding of the contractual terms of the OFCD agreement. 2) Obtained accounting analysis of OFCDs from the management and reviewed the same in light of appropriate accounting guidance. 3) Performed audit procedures on valuation inputs and accounting entries of the transaction as per IND AS 109. 4) Assessing the appropriateness of the presentation as per IND AS 32 of the financial instruments.

2. **Mining Segment**

   Refer Notes 37 to the Consolidated Financial Statements

   The Holding Company has identified a new reportable operating segment named "Mining" during the FY 2021-22 in accordance with the principles of IND AS 108, Operating Segments. Up to 31st March 2021, it had two reportable operating segments named "Sponge Iron" and "Power".

   As per IND AS 108, an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. An entity shall report separately information about each operating segment or results from aggregating two or more of those segments, and exceeds the quantitative thresholds in paragraph 13.

During the F.Y. 2021-22, the total revenue generated from the mining segment amounts to ₹ 23,796.64 lakhs and segment profits (before finance cost & tax) amount to ₹ 12,127.82 lakhs. As on 31st March 2022, Segment assets amount to ₹ 19,195.82 lakhs, segment liability amounts to ₹ 1,515.16 lakhs and capital employed towards mining amounts to ₹ 17680.66 lakhs.

The management has used its judgements and estimates in presentation and disclosure of the aforementioned segment in accordance with the principles of IND AS 108, Operating Segments.

Auditors Response:

Our audit procedures include, among others,

1) Obtaining an understanding of the nature, form and type of the newly added segment.
2) Assessing appropriateness of management's judgement in recognition of the reportable segment as per IND AS 108.
3) Obtaining an understanding of methods of allocating operating expenses, identifiable assets used jointly by two or more segments, and evaluating whether those methods are reasonable.
4) Assessing the appropriateness of the presentation and disclosures of the segments as per IND AS 108, Operating segments.

3. Evaluation of Contingent Liabilities:

Refer Note 34 to the Consolidated Financial Statements

Claims against the company not acknowledged as debts is disclosed in the Consolidated Financial Statements. The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.

Auditors Response: Our audit procedures include, among others, assessing the appropriateness of the management's judgment in estimating the value of claims against the company not acknowledged as debts as given in the Note 34.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in Holding Company and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Holding Company and its jointly controlled entity are responsible for assessing the ability of the Holding Company and its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its jointly controlled entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding Company and its jointly controlled entity are responsible for overseeing the financial reporting process of the Holding Company and its jointly controlled entity.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Holding Company and its jointly controlled entity to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the jointly controlled entity, whose financial statements reflect total assets of ₹ 37.97 lakhs as at 31st March, 2022, total revenue of ₹ 947.40 lakhs, and net cash flows amounting to ₹ 1.51 lakhs for the year ended on that date. The consolidated financial statements include the jointly controlled entity's share of net profit of ₹ 7.33 lakhs for the year ended 31st March, 2022, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Holding Company and its jointly controlled entity.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters based on the financial information certified by the Management. We do not form any opinion with respect to our reliance on the work done and the reports of the Joint Venture's auditors as the Joint Ventures Financial Statements were unaudited till the date of this audit report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.

2. As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (As amended);

e. On the basis of the written representations received from the directors of the Holding company and its jointly controlled entity as on 31st March 2022 taken on record by the Board of Directors of the Holding Company and its jointly controlled entity, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and its jointly controlled entity’s Internal Financial Controls over financial Reporting; and

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its jointly controlled entity– Refer Note 34 to the Consolidated Financial Statements.

ii. The Holding Company and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its jointly controlled entity incorporated in India.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its jointly controlled entity to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its jointly controlled entity (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its jointly controlled entity from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its jointly controlled entity shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.; and

v. The Holding Company and its jointly controlled entity has not declared or paid any dividend during the year.

For VSS & Associates
Chartered Accountants
ICAI Firm Reg. no.: 105787W

Sanjay Jain
Partner
M.No.: 046565
UDIN: 22046565ALXPFA2504

Dated: 29th April, 2022
Place: Mumbai

1

Annexure – A to the Independent Auditors' Report

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

Opinion

In conjunction with our audit of the Consolidated Financial Statements of **M/s. Lloyds Metals and Energy Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its jointly controlled entity, as of that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For VSS & Associates
Chartered Accountants
ICAI Firm Reg. no.: 105787W

Sanjay Jain
Partner
M.No.: 046565
UDIN: 22046565ALXPFA2504

Dated: 29th April, 2022
Place: Mumbai

Annexure - B to Independent Auditor's Report

The 'Annexure B' referred to in Independent Auditor's Report to the Members of the Holding Company on the Consolidated Financial Statements for the year ended 31st March 2022, we report that:

(Referred to in Paragraph 1 under 'Report on Other legal and Regulatory Requirement' sections of our report of even date)

(xxi) According to the information and explanations given to us, in respect of Joint venture (Thriveni Lloyds Mining Private Limited) incorporated in India and included in the consolidated financial statements, the Companies (Auditor's Report) Order (CARO) report relating to it has not been issued by its auditor till the date of this audit report and hence we are unable to comment on this clause.

For VSS & Associates
Chartered Accountants
ICAI Firm Reg. no.: 105787W

Sanjay Jain
Partner
M.No.: 046565
UDIN: 22046565ALXPFA2504

Dated: 29th April, 2022
Place: Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	4	**39,906.67**	36,088.63
	(b) Capital Work in Progress		**8,588.03**	8,471.00
	(c) Right to Use Account		**60.28**	78.83
	(d) Financial Assets			
	(i) Investments	5	**20.88**	13.55
	(e) Deferred tax assets (Net)	6	**2,823.99**	1,873.32
	(f) Other Non-current Assets	7	**86.58**	72.67
	Total Non Current Assets		**51,486.43**	**46,598.00**
(2)	**Current Assets**			
	(a) Inventories	8	**16,684.05**	11,571.00
	(b) Financial Assets			
	(i) Trade Receivables	9	**2,373.67**	691.12
	(ii) Cash and Cash Equivalent	9(i)	**1,373.10**	39.90
	(iii) Bank Balances Other than (ii) above	9(ii)	**814.19**	763.86
	(iv) Other Financial Assets	9(iii)	**1,999.10**	1,758.06
	(c) Other Current Assets	10	**7,650.19**	10,603.41
	Total Current Assets		**30,894.30**	**25,427.35**
	TOTAL ASSETS		**82,380.73**	**72,025.35**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	11	**3,704.42**	2,534.72
	(b) Other Equity	12	**44,460.66**	15,675.81
	Total Equity		**48,165.08**	**18,210.53**
	LIABILITIES			
(1)	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	13	**5,671.99**	9,316.62
	(ia) Lease Liability	13(i)	**42.97**	63.84
	(b) Provisions	14	**536.32**	573.70
	(c) Other Non-Current Liabilities	15(i)	**16,143.43**	28,217.29
	Total Non Current Liabilities		**22,394.71**	38,171.45
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**-**	969.36
	(ia) Lease Liability	16(i)	**20.87**	17.80
	(ii) Trade Payables			
	a) total outstanding dues of micro enterprises and small enterprises; and			
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	16(ii)	**1,518.31**	3,525.22
	(iii) Other financial liabilities (other than those specified above item)	16(iii)	**7,446.95**	7,772.48
	(b) Other Current Liabilities	17	**1,441.86**	2,324.65
	(c) Provisions	18	**1,392.95**	1,033.86
	Total Current Liabilities		**11,820.94**	**15,643.37**
	TOTAL EQUITY AND LIABILITIES		**82,380.73**	**72,025.35**

Accompanying notes 1 to 44 are an integral part of these Financial Statements

As per our Report of Even Date
For VSS & ASSOCIATES
Chartered Accountants
Firm Registration No 105787W
Sd/-
Sanjay Jain
Partner
Membership No 46565
UDIN: 22046565ALXPFA2504

Place : Mumbai
Date : 29th April 2022

For and on behalf of the Board of Directors of Lloyds Metals And Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

		Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
		INCOME			
I		Revenue from Operations	19	**69,749.94**	25,340.67
II		Other Income	20	**2,975.36**	1,990.25
III		**Total Income (I+II)**		**72,725.30**	**27,330.92**
IV		**EXPENSES**			
	(a)	Cost of Materials Consumed	21	**37,327.48**	21,742.74
	(b)	Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	22	**(6,039.92)**	(1,445.01)
	(c)	Employee Benefit Expenses	23	**1,835.23**	1,469.31
	(d)	Finance Cost	24	**1,814.08**	1,682.22
	(e)	Depreciation and amortization expenses	25	**1,798.49**	1,382.53
	(f)	Other Expenses	26	**22,073.87**	2,486.45
		Total Expenses(IV)		**58,809.23**	**27,318.24**
V		**PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**		**13,916.07**	**12.68**
VI		Exceptional Items (Coal cess)	21(a)	**5,136.39**	-
VII		**PROFIT /(LOSS) AFTER EXCEPTIONAL ITEMS (V-VI)**		**8,779.68**	**12.68**
VIII		**Tax Expenses:**			
	(1)	Current Tax		**-**	-
	(2)	Deferred Tax Income	27	**(950.68)**	**-**
IX		**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATION (VII-VIII)**		**9,730.36**	**12.68**
X		**Share of Profit / (Loss) of Joint Venture**		**7.33**	**-**
XI		**Profit/(loss) from discontinued operations**		**-**	**-**
XII		**Tax expenses of discontinued operations**		**-**	**-**
XIII		**Profit/(loss) from Discontinued operations (after tax) (XI-XII)**		**-**	**-**
XIV		**Profit/(loss) for the period (IX+X+XIII)**		**9,737.69**	**12.68**
XV		**OTHER COMPREHENSIVE INCOME**		**-**	**-**
	(a)	(i) Items that will be reclassified subsequently to the statement of profit and loss		**-**	**-**
		(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		**-**	-
	(b)	(i) Items that will not be reclassified subsequently to the statement of profit and loss		**72.78**	52.33
		(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		**-**	-
		TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		**72.78**	**52.33**
XVI		**Total Comprehensive Income for the period (XIV+XV)Comprising Profit (Loss) and Other Comprehensive Income for the period**		**9,810.47**	**65.01**
XVII		**Earnings per equity share (for discontinued operation):**		**-**	**-**
XVIII		**Earning per equity share (for discontinued & continuing operation)**			
	(1)	Basic (in ₹)		**2.86**	**0.01**
	(2)	Diluted (in ₹)		**2.78**	**0.00**

Accompanying notes 1 to 44 are an integral part of these Financial Statements

As per our Report of Even Date
For VSS & ASSOCIATES
Chartered Accountants
Firm Registration No 105787W
Sd/-
Sanjay Jain
Partner
Membership No 46565
UDIN: 22046565ALXPFA2504

Place : Mumbai
Date : 29th April 2022

For and on behalf of the Board of Directors of
Lloyds Metals And Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

	Particulars	Year Ended 31st March, 2022 (Audited)	Year Ended 31st March, 2021 (Audited)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax	**8,779.68**	12.68
	Adjustments for:		
	Depreciation	**1,798.49**	1,382.53
	Other comprehensive Income	**72.78**	52.33
	SBP Reserve	**(18.63)**	111.90
	Loss on disposal of Property, Plant and equipment	**9.51**	0.07
	(Profit) on disposal of Property, Plant and equipment	**(0.55)**	-
	Interest/Dividend Income	**(61.15)**	(49.52)
	Interest & Financial Charges	**1,018.36**	704.71
	Operating Profit Before Working Capital Changes	**11,598.50**	**2,214.70**
	Change in operating assets and liabilities		
	(Increase)/Decrease in Trade and other Receivables	**(1,682.55)**	97.63
	(Increase)/Decrease in Financial Assets	**(241.04)**	65.98
	(Increase)/Decrease in Other Current Assets	**2,996.63**	(2,795.24)
	(Increase)/Decrease in Inventories	**(5,113.03)**	(1,599.71)
	(Increase)/Decrease in Other Non Current Assets	**4.65**	(7.78)
	(Increase)/Decrease in Prepayments	**(9.86)**	(44.08)
	Increase/(Decrease) in Borrowings	**(969.36)**	(829.45)
	Increase/(Decrease) in Trade Payable	**(2,006.91)**	(2,587.16)
	Increase/(Decrease) in Other Financial Liabilities	**285.04**	4323.94
	Increase/(Decrease) in Lease Liabilities	**3.07**	(39.32)
	Increase/(Decrease) in Other Current Liabilities	**(903.66)**	(529.44)
	Increase/(Decrease) in Non Current Liabilities	**(1,2073.86)**	646.97
	Increase/(Decrease) in Provisions	**321.71**	(403.12)
	Cash Generated from Operations	**(7,790.67)**	**(1,486.08)**
	Direct Taxes (Paid)/ Net of Refunds	**(30.17)**	(7.97)
	Net cash inflow (outflow) from operating activities	**(7,820.84)**	**(1,494.05)**
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Property, Plant & Equipment	**(5,623.59)**	(1,892.69)
	(Increase)/Decrease on FDR	**(50.36**	(86.42)
	(Increase)/Decrease on Investment in Joint Venture	**-**	(0.40)
	Sale of Property, Plant & Equipment	**(1.93)**	(43.57)
	Interest/Dividend Received	**57.75**	39.13
	(Increase)/Decrease in Capital WIP	**(117.03)**	(4,234.41)
	Net cash inflow (outflow) from investing activities	**(5,735.16)**	**(6,218.36)**
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest & Financial Charges Paid	**(985.80)**	(773.93)
	Proceeds from issue of Equity Shares	**1,169.70**	265.71
	Proceeds from issue of Shares warrant money	**0**	1,562.55
	Proceeds from Share Premium	**18,993.05**	1,980.84
	Proceeds From Borrowing	**7,520.52**	4,327.98
	(Repayment) of Borrowing	**(11,808.28)**	(793.17)
	Net cash inflow /(outflow) from financing activities	**14,889.20**	6,569.98
	Net Increase /(Decrease) in Cash & Cash Equivalents (A+B+C)	**1,333.20**	(1,142.43)
	Cash & Cash Equivalents as at the beginning of Period	**39.90**	1,182.33
	Cash & Cash Equivalents as at the end of Period	**1,373.09**	39.90
	Net Increase / (Decrease) in Cash & Cash Equivalents	**1,333.20**	(1,142.43)
	Components of Cash and Cash equivalents		
	(a) Cash on Hand	11.03	23.51
	(b) Balance with Schedule Bank in : Current account	1362.07	16.39
	Total cash and Cash Equivalents	**1373.09**	39.90

Notes :

1 Cash Flow Statement has been prepared following the indirect method as set out in IND-AS 7 specified under Section 133 of the Companies Act, 2013 except in case of interest paid / received, purchase and sale of investments which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities

2 Cash and Cash Equivalents represent Cash & Bank balances.

Accompanying notes 1 to 44 are an integral part of these Financial Statements

As per our Report of Even Date
For VSS & ASSOCIATES
Chartered Accountants
Firm Registration No 105787W
Sd/-
Sanjay Jain
Partner
Membership No 46565
UDIN: 22046565ALXPFA2504

For and on behalf of the Board of Directors of
Lloyds Metals And Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

Place : Mumbai
Date : 29th April 2022

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity Share Capital

(1) Current reporting period **(₹ in Lakhs)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,534.72	-	-	1,169.70	3,704.42

(2) Previous reporting period **(₹ in Lakhs)**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
2,269.01	-	-	265.71	2,534.72

B. Other Equity

(1) Current reporting period

	Reserves and Surplus							(₹ In Lakhs)
	Equity Component of Optionally Fully convertible Debentures	Capital Total Reserve	Securities Premium	SBP Reserve	Retained Earnings	Other items of Other Comprehensive Income(Gratuity and Leave encashment	Money received against share warrants	Total
Balance at the beginning of the current reporting period	127.69	7,756.22	2,405.78	70.33	3,717.05	36.19	1,562.55	15,675.81
Total Comprehensive Income for the current year	-	-	-	-	-	72.78	-	72.78
Transfer to retained earnings	-	-	-	-	9,737.65	-	-	9,737.65
Transfer to Share premium	-	-	18,881.32	(39.47)	-	-	-	18,841.85
Optionally Fully convertible Debentures	111.73	-	-	-	-	-	-	111.73
ESOP	-	-	-	20.84	-	-	-	20.84
Balance at the end of the current reporting period	**239.42**	**7,756.22**	**21,287.10**	**51.70**	**13,454.70**	**108.97**	**1,562.55**	**44,460.66**

(2) Previous reporting period

	Reserves and Surplus							(₹ In Lakhs)
	Equity Component of Optionally Fully convertible Debentures	Capital Total Reserve	Securities Premium	SBP Reserve	Retained Earnings	Other items of Other Comprehensive Income(Gratuity and Leave encashment	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-	7,756.22	421.59	305.50	3,704.37	(16.14)	-	12,171.54
Total Comprehensive Income for the current year	-	-	-	-	-	52.33	-	52.33
Transfer to retained earnings	-	-	-	-	12.68	-	-	12.68
Transfer to Share premium	-	-	-	-	-	-	1,562.55	1,562.55
Optionally Fully convertible Debentures	-	-	1,984.19	(347.06)	-	-	-	1,637.13
ESOP	127.69	-	-	-	-	-	-	127.69
Balance at the end of the current reporting period	**-**	**-**	**-**	**111.89**	**-**	**-**	**-**	**111.89**
	127.69	**7,756.22**	**2,405.78**	**70.33**	**3,717.05**	**36.19**	**1,562.55**	**15,675.81**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. **Background**

Basis of Consolidation

These consolidated financial statements of the Company, entities jointly controlled by the Company (together the group) have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements comprise those of Lloyds Metal and Energy Limited (Holding company) and its entity jointly controlled by the Company i.e., Thriveni Lloyds Mining Private Limited. The holding company holds 40% stake in its jointly controlled entity.

Consolidation Procedure

The entity has classified the Joint arrangement as a Joint Venture depending upon the rights and obligations of the parties to the arrangement as per Ind AS 111 "Joint Arrangements"

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The Equity Method of accounting is followed for Joint Arrangement in accordance with IND AS 28 "Investment in Associates"

The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

2) **Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of preparation**

i) These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

ii) Historical cost convention the financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

b) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Chief Financial Officer as chief operating decision maker. Refer Note 37 for segment information presented.

c) **Foreign currency transaction**

i) Functional and presentation currency: Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (Rs.), which is the Company's functional and presentation currency.

ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/ receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the period/ year are translated at the period/ year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

Forward exchange contracts entered into, to hedge foreign currency risk of an existing asset/ liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

d) Revenue Recognition

i) Revenue from Sales of Goods & Services

The Company recognizes revenue in accordance with Ind- AS 115. Revenue is recognized when a customer obtains control of goods or services and thus has the ability to direct the use and obtained the benefits of the goods or services. Any advance received against supply of the goods and services is recognized under the head current liabilities, sub head trade and other payable.

Under Ind AS 115, revenue is recognized 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. The new revenue standard will supersede all current revenue recognition requirements under Ind AS.

ii) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

f) Taxes

Income tax expenses comprise current tax expense and the net changes in the deferred tax asset or inability during the year. Current & deferred taxes are recognized in the statement of Profit & Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current & deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) Current income tax

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax at the prescribed percentage on the adjusted book profits of a year, when Income Tax Liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115JA.

ii) Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. However, if these are unabsorbed depreciation, carry forward losses and items relating to capital losses, deferred tax assets are recognised when there is reasonable certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable that such unutilized tax credits will get realized.

The unrecognized deferred tax assets/carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis. Ref. Note No.38

g) Leases

The Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 - 'Leases'. This standard is effective from1st April, 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Ind AS 116 - Leases amends the rules for the lessee's accounting treatment of operating leases. According to the standard all operating leases (with a few exceptions) must therefore be recognized in the balance sheet as lease assets and corresponding lease liabilities. The lease expenses, which were recognised as a single amount (operating expenses), will consist of two elements: depreciation and interest expenses. The standard has become effective from 2019 and the Company has assessed the impact of application of Ind AS 116 on Company's financial statements and provided necessary treatments and disclosures as required by the standard (Refer Note No 39).

h) Impairment of assets

At the end of each reporting year, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Property plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverable amount of assets to be held and used is the higher of fair value less cost of disposal or value in use as envisaged in Ind-AS 36. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the recoverable value of the asset. Impairment loss is recognized in the statement of profit and loss except for properties previously revalued with revaluation taken to other comprehensive income. For such properties impairment loss is recognized in other comprehensive income up to the amount of any previous revaluation.

i) Inventories

The general practice adopted by the company for valuation of inventory is as under:-

i) Raw Materials	*At lower of cost and net realizable value.
ii) Stores and spares	At cost
iii) Work-in-process/ semi-finished goods	At material cost plus labour and other appropriate portion of production and administrative overheads and depreciation
iv) Finished Goods/ Traded Goods	At lower of cost and net realizable value.
v) Finished Goods at the end of trial run	At net realizable value.
vi) Scrap material	At net realizable value.
vii)Tools and equipments	At lower of cost and disposable value.

*Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

j) Cash and cash equivalents

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

k) Trade receivables

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

l) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expenses in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, Interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Ref Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) Derecognition of financial assets

Financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

m) Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their nature. The costs of the Company are broadly categorized in to material consumption, cost of trading goods, employee benefit expenses, depreciation and amortization, other operating expenses and finance cost. Employee benefit expenses include employee compensation, gratuity, leave encashment, contribution to various funds and staff welfare expenses. Other expenses broadly comprise manufacturing expenses, administrative expenses and selling and distribution expenses.

n) Derivatives

The derivative contracts to hedge risks which are not designated as hedges are accounted at fair value through profit or loss and are included in the profit and loss account.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized 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 Company or the counterparty.

p) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any in accordance with Ind-AS 16. The Company reviews the fair value with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value.

Cost excludes Input credit under GST and such other taxes which can utilize against GST liabilities. Depreciation on assets is claimed on such 'reduced' cost. All items of repairs and maintenance are recognized in the statement of profit and loss, except those meet the recognition principle as defined in Ind-AS 16Any revaluation of an asset is recognized in other comprehensive income and shown as revaluation reserves in other equity

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation/Amortization methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on a pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortized over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

q) Intangible assets

i) Recognition

Intangible assets are recognized only when future economic benefits arising out of the assets flow to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

the enterprise and are amortized over their useful life. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

ii) Amortization methods and periods

The Company amortized intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortized over a period of three years.

iii) Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees Paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, there is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as defined in Ind-AS 23 are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Any related foreign currency fluctuations on account of qualifying asset under construction is capitalized and added to the cost of asset concerned. Other borrowing costs are expensed as incurred.

u) Employee benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations.

Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and superannuation fund.

(c) Defined benefit plans such as Leave encashment.

Gratuity & Leave Encashment obligations

The liability or assets recognized in the balance sheet in respect of gratuity & Leave Encashment plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailment are recognized immediately in profit or loss.

iv) Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expenses when they are due.

v) Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black- Scholes model. In case the options are granted to employees of the company, the fair value determined at the grant date is expensed on a straight line basic over the vesting period, based on the Company's estimate of options that will eventually vest, with a corresponding increase in equity.

vi) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x) Earnings per share

i) Basic earnings per share: Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year.

ii) Diluted earnings per share: diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Custom duty and its benefits

Customs Duty payable on imported raw materials, components and stores and spares is recognized to the extent assessed by the customs department.

Customs duty entitlement eligible under passbook scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports affected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

z) The Treatment of expenditure during construction period

All expenditure and interest cost during the project construction period, are accumulated and shown as

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Capital Work-in- Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure/Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress.

aa) Fair value measurement

The Company reviews the fair value of Land with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant absorbable inputs and minimizing the use of un-absorbable inputs. External valuers are appointed for valuing land. The selection criteria for these valuers include market knowledge, reputation, independence and whether professional standards are maintained.

ab) Amortization of expenses

Equity Issue expenses: Expenditure incurred in equity issue is being treated as Deferred and Revenue Expenditure to be amortized over a period of 10 years;

Debenture Issue Expenses: Debenture Issue expenditure is amortized over the period of 10 years.

Deferred Revenue Expenses: Deferred Revenue expenses are amortized over a period of 5 years.

ac) Research and development expenses

Research and Development costs (other than cost of fixed assets acquired) are expensed in the year in which they are incurred.

ad) Investment in Associates

Investments in associates are recognized at cost. The company provides for any permanent diminution, if any, in value of such investment.

ae) Accounting for Provisions, Contingent Liabilities & Contingent Assets

In conformity with Ind-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI. A provision is recognized when the Company has a present obligation as a result of past even and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in financial statements.

af) Provision for doubtful debts

The management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

ag) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3) Critical estimates and Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of Investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 4 : Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount	
	As at 1st April, 2021	Additions	Deletions	As at 31st March 2022	As at 1st April, 2021	For the Year	On disposals	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Owned Assets										
Land	969.22	-	-	969.22	-	-	-	-	969.22	969.22
SURJAGARH MINING COMPLEX	-	5,254.76	-	5,254.76	-	0.46	-	0.46	5,254.30	-
Factory Building & Site Development	2,902.77	-	-	2,902.77	1,301.25	106.90	-	1,408.15	1,494.61	1,601.52
Residential Building: Housing Complex	784.09	-	-	784.09	477.11	41.24	-	518.35	265.74	306.98
Mining Road	498.74	-	-	498.74	166.01	94.81	-	260.82	237.92	332.73
Plant and Machinery	44,013.83	335.21	-	44,349.04	25,902.08	983.59	-	26,885.67	17,463.37	18,111.75
Plant and Machinery-Power	19,997.21	-	-	19,997.21	6,028.28	463.80	-	6,492.08	13,505.13	13,968.93
Furniture & Fixture	299.27	1.09	3.65	296.71	128.01	24.06	1.18	150.89	145.82	171.26
Motor Vehicles	578.14	19.49	26.98	570.65	175.86	60.21	5.30	230.77	339.88	402.28
Office Equipments	135.95	2.92	3.28	135.59	87.46	3.03	2.02	88.47	47.12	48.49
Computers	147.51	10.12	1.66	155.97	142.92	1.86	1.48	143.30	12.67	4.59
Assets Taken on Lease										
Leasehold Land	170.88	-	-	170.88	-	-	-	-	170.88	170.88
Total - Property, Plant and Equipment	**70,497.61**	**5,623.59**	**35.57**	**76,085.63**	**34,408.98**	**1,779.96**	**9.98**	**36,178.96**	**39,906.67**	**36,088.63**

Note 5 : Investments- Non Current

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment designated at fare value through profit and loss		
Investments in Equity Instruments (unquoted - fully paid up)		
i) **Shine Trade & Properties Developers Private Limited** (Previously known as Gadchiroli Metals & Minerals Ltd.) 19,000 Equity Shares of ₹ 10/- Each (Previous Year 19,000 Equity Shares of ₹ 10 Each)	1.90	1.90
ii) **Vimala Infrastructure Private Limited** (500 Equity Shares of ₹ 10/- Each) (Previous Year 500 Equity Shares of ₹ 10 each and share premium ₹ 240/- each)	1.25	1.25
iii) **Punjab & Maharashtra Co-op. Bank Limited** 40,000 Equity Shares of ₹ 25/- Each (Previous Year 40,000 Equity Shares of ₹ 25/- Each)	10.00	10.00
In Equity share of joint venture		
i) **Thriveni Lloyds Mining Private Limited**	0.40	0.40
Profit add during the year	7.33	-
Total amount	7.73	0.40
Total Investment in Equity Shares	**20.88**	**13.55**
Less: Provision for Diminution of value of Investments	-	-
Total investments	**13.55**	**13.55**

Agregate value of unquoted investment is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Agregate value of unquoted investment	**20.88**	**13.55**

Note 6 : Deferred Tax Asset

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Asset		
Deferred Tax Asset (Ref. Note No.38)	2,823.99	1,873.32
Total - Deferred Tax Asset	**2,823.99**	**1,873.32**

Note 7 : Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Deposits with MSEB & Others	86.58	72.67
Total Other Non Current Assets	**86.58**	**72.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 8 : Inventories **(₹ in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Raw Materials	2,087.28	1,664.26
(b) Work-in-Progress	7,648.72	25.32
(c) Finished Goods	3,756.46	1,871.26
(d) Stores and Spares	1,111.00	901.29
(e) Saleable Scrap & By products	1,846.15	4,659.55
(f) Intangible Inventory - Energy Saving certificate	0.00	836.88
(g) Intangible Inventory - Certified Emission Reduction (CER's)	234.44	52.83
(h) Inventory Land for trading	0.00	1559.61
Total - Inventories	**16,684.05**	**11,571.00**

For valuation of inventories Refer Note 2(i) of Standard Accounting policy and for hypothecation and charges refer Note No.16(a) of Notes to Account.

Note 9 : Trade Receivables - Current **(₹ in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured - Considered Good	2,373.67	691.12
Total - Trade Receivables	**2,373.67**	**691.12**

Trade Receivables ageing schedule **(₹ in Lakhs)**

Current outstanding as on 31.03.2022	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(a) Undisputed Trade receivables — considered good	2,347.70	24.59	0.03	1.35	-	2,373.67
(b) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(c) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(d) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(e) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(f) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total - Trade Receivables	**2,347.70**	**24.59**	**0.03**	**1.35**	**-**	**2,373.67**

Current outstanding as on 31.03.2021	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(a) Undisputed Trade receivables — considered good	509.44	160.21	1.87	7.91	11.69	691.12
(b) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(c) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(d) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(e) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(f) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total - Trade Receivables	**509.44**	**160.21**	**1.87**	**7.91**	**11.69**	**691.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 9 : (i) Cash and Cash Equivalents (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents :		
Cash in hand	11.03	23.51
Balances with banks In Current Accounts	1,362.07	16.39
Total - Cash and Cash Equivalents	**1,373.10**	**39.90**

Note 9 :(ii) Other Balances with Banks (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Bank Balances		
i) Balances in the form of FDR*	814.19	759.19
ii) Margin money against bill discounting	-	4.67
Total - Other Balances with Banks	**814.19**	**763.86**

*** Held against various Bank Guarantees**

Note 9 : (iii) Other Financial Assets -Current (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to Suppliers	1,999.10	1,758.06
Total - Other Financial Assets	**1,999.10**	**1,758.06**

Note 10 : Other Current Assets (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other than Capital Advance		
i) Prepaid Expenses	163.95	154.09
ii) Advance to Others	70.15	488.40
iii) Interest Receivable	43.98	41.43
iv) Balance Receivable from Govt. Authorities	7,368.01	9,915.44
iv) Balance Receivable against NSC	4.10	4.05
Total - Other Current Assets	**7,650.19**	**10,603.41**

Prepaid expenses ₹ 163.95 lakhs regrouped in other current assets, last year separately shown as Prepayment under current asset ₹ 154.09 lakhs.

Note 11 : Equity Share Capital (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
AUTHORIZED		
Equity Shares:		
75,00,00,000 Equity Shares of ₹ 1/- Each	7,500.00	7,500.00
(Previous year 75,00,00,000 Equity Shares of ₹ 1/- each)		
Preference Shares :		
2,50,00,000 Preference Shares of ₹ 10/- each	2,500.00	2,500.00
(Previous year 2,50,00,000 Preference Shares of ₹ 10/- each)		
Total	**10,000.00**	**10,000.00**
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
25,17,49,220 Equity Shares of ₹ 1/- each	2,517.49	2,225.83
(Previous year 22,25,82,580 Equity Shares of ₹ 1/- each)		
Add : 11,69,70,000 Equity Shares of ₹ 1/- each	1,169.70	291.67
(Previous year 2,91,66,640 Equity Shares of ₹ 1/- each)		
(Previous year Shares forfeited - 3,97,875 Equity Shares of ₹ 10/- each (Amount originally paid-up)	17.22	17.22
Total - Equity Share Capital	**3,704.42**	**2,534.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Shares held by promoters at the end of the year

Sr. No	Name of the Promoter	No. of Shares**	% of total shares	% Change during the year
i)	Ravi Agarwal	1,17,30,000	3.18	(1.48)
ii)	Mukesh R Gupta	7,07,300	0.19	(0.09)
iii)	Renu R Gupta	12,04,420	0.33	(0.15)
iv)	Abha M Gupta	6,69,540	0.18	(0.08)
v)	Dipti Akhil Mundhra	5,00,000	0.14	(0.06)
vi)	Rajesh R Gupta	12,08,460	0.33	(0.15)
vii)	Madhur Gupta	96,00,000	2.6	(1.21)
viii)	Priyanka Rajesh Gupta	5,00,000	0.14	(0.06)
ix)	Shreekrishna M Gupta	96,02,000	2.6	(1.21)
x)	Shree Global Tradefin Ltd	1,57,35,742	4.27	(7.21)
xi)	ASP Technologies Pvt Ltd	3,64,00,340	9.87	(4.59)
xii)	Triumph Trade & Properties Developers Private Limited	2,91,58,208	7.91	(3.67)
xiii)	Lloyds Metals And Minerals Trading LLP	3,57,41,529	9.69	(4.50)
xiv)	Sky United LLP	1,31,54,638	3.57	3.57
xv)	Thriveni Earthmovers Private Limited	9,00,02,906	24.41	24.41
		25,59,15,083	69.41	3.5

(A) Movement in Equity Share Capital:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Numbers of Shares	Amount in Lakhs	Numbers of Shares	Amount in Lakhs
At the beginning of the year	**25,17,49,220**	**2,517.50**	22,51,78,400	2,251.79
Issued During The Year	**11,69,70,000**	**1,169.70**	2,65,70,820	265.71
Outstanding at the end of the year	**36,87,19,220**	**3,687.20**	25,17,49,220	2,517.50

(B) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company in last 5 years.

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

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 1/- each fully paid-up				
Thriveni Earthmovers Private Limited	**9,00,02,906**	**24.41**	-	-
ASP Technologies Private Ltd.	**3,64,00,340**	**9.87**	3,64,00,340	14.46
Triumph Trade & Properties Developers Private Ltd.	**2,91,58,208**	**7.91**	2,91,58,208	11.58
Shree Global Tradefin Ltd.	**1,57,35,742**	**4.27**	2,88,90,380	11.48
Lloyds Metals and Minerals Trading LLP	**3,57,41,529**	**9.69**	3,57,41,529	14.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 12 : Other Equity (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Reserves and surplus		
(a) Capital Reserve	**7,756.22**	**7,756.22**
(b) Share premium	**21,287.10**	**2,405.78**
(c) Share Warrant application money	**1,562.55**	**1,562.55**
(d) Equity Component of Optionally Fully convertible Debentures	**239.42**	**127.69**
(e) Retained Earnings		
As per last Financial Statement	3,717.05	3,704.37
Add: Profit for the year	9,737.65	12.68
Closing Balance	**13,454.70**	**3,717.05**
(f) Other Comprehensive Income (OCI)		
As per last Financial Statement	36.19	(16.14)
Add: Movement in OCI (Net) during the year	72.78	52.33
Closing Balance	**108.97**	**36.19**
(g) Share Based Payment Reserve		
As per last Financial Statement	**70.33**	**305.50**
Add: Movement during the year	**20.84**	**111.89**
Less : Transfer to Share premium	**(39.47)**	**(347.06)**
Closing Balance	**51.70**	**70.33**
Total - Other Equity	**44,460.66**	**15,675.81**

Note 13 : Borrowings - Non- current (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term Loan from Banks and Financial Institutions (Ref. Note 13(a))	5,671.99	6,714.34
	5671.99	**6714.34**
Unsecured		
Deferral payment Loans (Sales Tax)	-	-
From Body corporates	0.00	2,602.28
Total - Long Term Borrowings	**5,671.99**	**9,316.62**

Note No. 13(a) : The term loans from Banks and financial institutions are secured by way of hypothecation/mortagage on specified Plant & Machinery/assets & motor vehicles. Refer Note No.36.

Note 13 (i) : Lease Liability - Non Current (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease liability (Ref. Note No.39)	42.97	63.84
Total - Lease Liability	**42.97**	**63.84**

Note 14 : Provisions - Long Term (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Unfunded Gratuity Liability **(Refer Note No. 28)**	458.25	474.55
Unfunded Compensated Absences Liability	78.07	99.15
Total - Long Term Provisions	**536.32**	**573.70**

Note 15 : Other Non Current Liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Long Term Liabilities	16,143.43	28,217.29
Total - Other Non Current Liabilities	**16,143.43**	**28,217.29**

Note 16 : Borrowings - Current (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured:		
Working Capital Loans: From Bank		
Rupee Loans **(Refer Note No. 16(a) & 16(b)**	-	969.36
Total - Short Term Borrowings	**-**	**969.36**

Note No. 16(a) Working Capital Loans from Banks of Rs.Nil (Previous Year ₹ 969.36 Lakhs) are primarily secured by hypothecation of present and future current assets of the company and present and future Fixed assets at plot no. A-1 and A-2 Ghugus, Dist. Chandrapur with building & structures thereon except assets/Machinery exclusively charged with other lenders

Note No. 16(b) :The company files monthly return of current asset with bank and these are in agreement with the books of account

Note 16(i) : Lease - Current Liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease liability	20.87	17.80
Total - Lease Liability	**20.87**	**17.80**

Note 16(ii) Trade Payables - Current (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Micro, Small and Medium Enterprises *(Refer note no. 16(ii)(a))*	-	-
Acceptances - Secured *(Refer note no. 16(ii)(b))*	-	-
Dues to creditors other than Micro, Small and Medium Enterprises	1,518.31	3,525.22
Total - Trade Payables	**1,518.31**	**3,525.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Trade Payables aging schedule **(₹ in Lakhs)**

Particulars	Outstanding for following periods from due date of payment#				
Aging schedule as on 31.03.2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	1,336.38	62.12	52.07	67.74	1,518.31
(iii) Disputed dues — MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total - Trade Payable	**1,336.38**	**62.12**	**52.07**	**67.74**	**1,518.31**

Trade Payables aging schedule **(₹ in Lakhs)**

Particulars	Outstanding for following periods from due date of payment#				
Aging schedule as on 31.03.2021	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	2,973.81	340.52	190.81	19.91	3,525.05
(iii) Disputed dues — MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total - Trade Payable	**2,973.81**	**340.52**	**190.81**	**19.91**	**3,525.05**

Note no. 16(ii)(a): There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2022 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Note no. 16(ii)(b): Inland letter of credit limits are primarily secured by hypothecation on all current assets of the company namely , Stock of raw materials, work-in-progress, finished goods, stores and spares , Bill receivable and book debts and all other moveable assets present and future and are also secured by way of collateral security in the form of Second Charge on all fixed assets of the company -all that piece and parcel of land or ground together with all building and structure thereon and all moveable plant and machinery both present and future

Note 16(iii) : Other Financial Liabilities - Current **(₹ in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Maturity of long term debts - Securred (Refer note no. 13(a))	1,350.14	1,974.19
Current Maturity of long term debts - Unsecurred	631.71	3,152.71
Liability conmponent of Optionaly fully convetible debentor	1,888.26	1,972.26
Advances from Customers - from Others	3,563.36	643.38
Interest Accrued but not due	13.48	29.94
Total - Other Financial Liabilities	**7,446.95**	**7,772.48**

Note 17 : Other Current Liabilities **(₹ in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, GST etc.)	1,306.68	687.37
(b) Other payables	4.61	1,518.05
(c) Salaries and Wages payable	130.57	119.23
Total - Other Current Liabilities	**1,441.86**	**2,324.65**

Note 18 : Provisions -Current **(₹ in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unfunded Gratuity & Compensated absences	41.40	35.20
Others- Bonus & Expenses	1,351.55	998.66
Total - Provisions	**1,392.95**	**1,033.86**

Note 19 : Revenue From Operations **(₹ in Lakhs)**

Particulars	2021 - 22	2020 - 21
Sale of Products		
Finished Goods	63,758.06	20,770.26
Power Sales	4,393.70	3,143.63
Other Operating Revenues	1,598.18	1,426.78
Total - Revenue from Operations	**69,749.94**	**25,340.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 20 : Other Income (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Interest Income	61.15	49.52
Other Non-Operating Income	80.65	19.48
Profit on Sale of Asset	0.55	-
Industrial Promotion Subsidy Refund	2,766.18	1,916.87
Dividend Income	-	-
Sundry Balance Written back	66.83	4.38
Total - Other Income	**2,975.36**	**1,990.25**

Note 21 : Cost of Materials Consumed (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
(a) Iron Ore/Pellet	17,688.27	13,963.57
(b) Coal	19,446.80	7,555.52
(c) Dolomite	192.40	223.65
Total - Cost of Material Consumed	**37,327.47**	**21,742.74**

Note 21(a) : Exceptional items (Coal Cess) (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Exceptional Item (Coal Cess)	5,136.39	-
Total - Exceptional Item (Coal Cess)	**5,136.39**	**-**

Note 22 : Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
(a) Opening inventory:		
(i) Finished Goods	1,871.26	1,369.01
(ii) Saleable Scrap & By products	4,659.56	3,742.12
(iii) Work-in-Process	25.32	-
(iv) Traded Goods	889.71	889.71
Total (a)	**7,445.85**	**6,000.84**
(b) Closing inventory:		
(i) Finished Goods	3,756.46	1,871.26
(ii) Saleable Scrap & By products	1,846.15	4,659.56
(iii) Work-in-Process	7,648.72	25.32
(iv) Traded Goods	234.44	889.71
Total (b)	**13,485.77**	**7,445.85**
Total (a-b)	**(6,039.92)**	**(1,445.01)**

Note 23 : Employees Benefits Expenses (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Salaries and Wages	1,543.17	1,098.76
Contributions to Provident and other Funds	102.20	75.39
Expense on Employee Stock Option Scheme (ESOP) (Refer Note No.35)	20.84	112.41
Staff Welfare Expenses	31.56	10.38
Gratuity & Leave Encashment Expenses (Refer Note No. 28)	73.90	108.81
Remuneration to Managing Director	63.56	63.56
Total - Employee Benefit Expenses	**1,835.23**	**1,469.31**

Note 24 : Finance Cost (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Interest Expense:		
(i) Fixed Loans	1,018.36	704.71
(ii) Others	580.97	714.01
Finance Charges :		
(i) Bills Discounting Charges	62.52	256.67
(ii) Bank Charges & Commission	152.24	6.83
Total - Finance Cost	**1,814.09**	**1,682.22**

Note 25 : Depreciation and Amortisation Expenses (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Depreciation (Refer Note No. 4)	1,779.94	1,338.87
Depreciation Lease Ind AS 116 (Refer Note No.39)	18.55	43.66
Total -Depreciation and Amortisation Expenses	**1,798.49**	**1,382.53**

Note 26 : Other Expenses (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Power Consumption	212.91	147.49
Fuel Consumption	72.88	47.81
Water Charges	77.87	30.00
Stores & Spares Consumed	948.88	331.89
Repairs & Maintenance to Plant	175.09	122.47
Other Manufacturing Expenses	11,494.82	537.35
Total - Manufacturing Expenses	**12,982.45**	**1,217.01**
Selling and Distribution Expenses		
Local Freight	7,229.81	540.17
Rebate & Discount	584.62	205.78
Selling Expenses	208.67	65.13
Total - Selling and Distribution Expenses	**8023.10**	**811.08**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	2021 - 22	2020 - 21
Administrative Expenses		
Insurance	57.84	90.75
Travelling & Conveyance	113.24	28.18
Rent, Rates & Taxes	67.17	49.47
Legal , Professional & Consultancy Charges	268.28	77.32
Repairs & Maintenance to Building	14.41	6.27
Repairs & Maintenance to others	17.63	18.86
Other Expenses	192.19	131.60
Sundry Balance Written Off	295.18	15.01
Payment to Auditors (Refer Note 26(a))	4.14	4.13
Director Sitting Fees	2.60	1.82
Corporate social responsibility (CSR) expenditure (refer Note 26(b))	26.13	34.88
Loss on Sale of Fixed Assets	9.51	0.07
Total - Administrative Expenses	**1,068.32**	**458.36**
Total - Other Expenses	**22,073.87**	**2,486.45**

Note 26(a) Payment to Auditor (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
(a) To statutory auditors		
-Statutory Audit Fees	2.75	2.75
-Tax Audit & Certifications	0.75	0.75
-Expenses Reimbursed	0.09	0.08
(b) To others		
-Cost Audit fees	0.30	0.30
-Secretarial Audit fees	0.25	0.25
Total - Payment to auditor	**4.14**	**4.13**

Note 26(b) Corporate Social Responsibility (CSR) Expenditure (₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
Amount required to be spent as per Section 135 of the Act*	22.57	33.84
Amount spent during the year on :		
1) Construction/ acquisition of any assets	-	-
2) On purposes other than (1) above	26.13	34.88
Total - Corporate social responsibility (CSR) expenditure	**26.13**	**34.88**

Note 27 : Deferred Tax (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Income	950.68	-
Total -Deferred Tax Income	**950.68**	**0.00**

28. Disclosure as required by the Ind AS -19 "Employees Benefit" is given below:

Defined benefit plan: The Company operates one defined benefit plan, viz., gratuity & Leave Encashment benefit, for its employees. The Gratuity & Leave Encashment plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. The company does not have any fund for gratuity liability or Leave liability and the same is accounted for as provision.

Under the other long term employee benefit plan, the company extends the benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement / separation or during tenure of service. The Plan is not funded by the company.

The details of defined benefit obligations are as under:

(₹ in Lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
1.	**Obligation as at beginning of the year**	**507.93**	**508.90**	**100.97**	**70.97**
2.	Current service cost	48.71	42.23	27.42	27.19
3.	Interest cost	34.54	33.08	6.56	6.31
4.	Liabilities transferred	0.00	0.00	0.00	0.00
5.	Benefits paid	(24.15)	(43.61)	(8.14)	(9.96)
6.	Re-measurements	(72.78)	(32.67)	(43.33)	(19.66)
7.	**Obligation as at Close of the year**	**494.24**	**507.93**	**83.48**	**100.97**
8.	Current portion	35.99	33.38	5.41	1.82
9.	Non-current portion	458.25	474.55	78.07	99.15
	Total	**494.24**	**507.93**	**83.48**	**100.97**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
1.	Current service cost	48.71	42.23	27.42	27.19
2.	Interest cost	34.54	33.08	6.56	6.31
	Total	**83.25**	**75.31**	**33.98**	**33.50**

Amount recognized in other comprehensive income:

(₹ in Lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
1.	Re-measurements	(72.78)	(32.67)	(43.33)	(19.66)
	Total	**(72.78)**	**(32.67)**	**(43.33)**	**(19.66)**

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

Existing assumptions:

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
1.	Discount rate	6.80%	6.50%	6.50%	6.50%
2.	Rate of salary increase	8.50%	8.50%	8.50%	8.50%
3.	Withdrawal / Attrition rate	1% to 1%	1.00%	1% to 1%	1% to 1%
4.	Mortality rate	Indian Assured Lives (2012-14)	Indian Assured Lives (2006-08)	Indian Assured Lives (2012-14)	Indian Assured Lives (2006-08)
5.	Retirement age	60 years	60 years	60 years	60 years

Note: The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

(₹ in Lakhs)

Particulars	Change in assumption	Gratuity		Leave Encashment	
		31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Discount Rate	+1%	446.86	458.52	72.38	89.88
	-1%	549.58	565.58	90.53	114.10
Salary Growth Rate	+1%	548.11	563.88	93.52	113.71
	-1%	447.14	458.94	74.81	89.97

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The table below summarizes the maturity profile and duration of the Gratuity & Leave encashment liability:

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Within one year	35.99	33.38	5.41	1.82
Within one-three years	24.09	30.58	3.10	6.30
Within three-five years	44.19	22.22	7.88	3.72
Above five years	246.82	421.75	17.77	89.13
Weighted average duration (in years)	12.97 years	12.97 years	12.97 years	12.97 years

29. Financial instrument and risk management

Fair values

1. The carrying amounts of trade payables, other financial liabilities(current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
2. Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (noncurrent) consists of interest accrued but not due on deposits, other financial assets consist of employee advances where the fair value is considered based on the discounted cash flow.
3. The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Lakhs)

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2022		As at 31st March, 2022		As at 31st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Non-current						
(i) Investments	-	-	20.88	20.88	-	-
Current						
(i) Trade Receivables	2,373.67	2,373.67	-	-	-	-
(ii) Cash and Cash Equivalent	1,373.09	1,373.09	-	-	-	-
(iii)Bank Balances Other than(ii)above	814.19	814.19	-	-	-	-
(iv) Other Financial Assets	1,999.10	1,999.10	-	-	-	-
Total Financial assets	**6,560.06**	**6,560.06**	**20.88**	**20.88**	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

Particulars	At amortized Cost		At Fair value through Profit & Loss		Designated at fair value through OCI	
	As at 31st March, 2022		As at 31st March, 2022		As at 31st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities						
Non-current						
(i) Borrowings	5,671.99	5,671.99	-	-	-	-
Current						
(i) Trade Payables	1,518.31	1,518.31	-	-	-	-
(ii) Other Financial Liabilities	7,446.96	7,446.96	-	-	-	-
Total Financial liabilities	**14,637.26**	**14,637.26**	**-**	**-**	**-**	**-**

30. Financial risk and capital risk management

A) Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimize the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management and internal/ external experts subject to necessary supervision.

The Company does not undertake any speculative transactions either through derivatives or otherwise. The senior management is accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance framework, policies and procedures. The Board of Directors periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

B) Foreign currency Risk

Foreign exchange risk arises on all recognised monetary assets and liabilities and on highly probable forecasted transactions which are denominated in a currency other than the functional currency of the Company. The Company does not have any foreign currency trade payables and receivables.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency.

No Forward contracts were entered into by the company either during the year or previous years since the company has very minimum exposure to foreign currency risk.

i) Price risk

The company uses surplus funds in operations and for further growth of the company. Hence, there is no price risk associated with such activity.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party the risk of deterioration of creditworthiness of the counterparty as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses. The Company is exposed to credit risk mainly with respect to trade receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured. As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by the concerned team based on the Company's established policy and procedures and by setting appropriate payment terms and credit period. The credit period provided by the Company to its customers depends upon the contractual terms with the customers.

The ageing analysis of trade receivables as at the reporting date is as follows: **(₹ in Lakhs)**

Particulars	Less than six months	More than six months
Trade Receivables as at March 31, 2022	2,347.70	25.97
Trade Receivables as at March 31, 2021	**509.44**	**181.68**

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due or there are some disputes which in the opinion of the management is not in the Company's favour. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents and cash generated from operations will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	
	Less than six months	More than six months
Trade payables	1,253.40	264.91
Other financial liabilities	6,061.77	1,385.19
Total Financial liabilities	**7,311.50**	**1,650.10**
Particulars	**As at 31st March, 2021**	
	Less than six months	**More than six months**
Trade payables	2,802.03	723.19
Other financial liabilities	4,293.87	3,478.60
Total Financial liabilities	**7,095.91**	**4,201.79**

C) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and/ or relevant laws and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

31. Capital Management

Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

(₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021
Borrowing		
Current	-	969.36
Non-Current	5,671.99	9,316.62
Total Debts	**5,671.99**	**10,285.98**
Cash and Marketable Securities	1,373.09	39.93
Net Debts	**4,298.89**	**10,246.04**
Equity		
Equity Share capital	3,704.41	2,534.72
Other Equity	44,453.34	15,675.82
Total capital	**48,157.75**	**18,210.53**
Gearing ratio in % (Net Debts/capital)	**8.93%**	**56.26%**

32. Related party transactions under Ind AS -24

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
Key Managerial Persons (KMP)	
Mr. Babulal Agarwal	Managing Director
Mr. Riyaz Shaikh	Chief Financial Officer
Ms. Trushali Shah	Company Secretary & Compliance Officer
Directors	
Mr. Mukesh Gupta	Chairman & Non-Executive Director
Mr. Rajesh Gupta	Non-Executive Director
Mr. Madhur Gupta	Executive Director
Mr. Devidas Kambale	Independent Director
Mr. Jagannath Dange	Independent Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Dr. Balram Singh (uptill 05th January, 2022)	Independent Director
Mrs. Bhagyam Ramani	Independent Director
Mr. Balram Prabhakaran (w.e.f. 07th October, 2021)	Additional Non-Executive Director
Mr. Ramesh Luharuka (w.e.f. 07th October, 2021)	Additional Independent Director
Dr. Seema Saini (w.e.f. 30th March, 2022)	Additional Independent Director
Joint Venture	
Thriveni Lloyds Mining Private Limited	
Other Related Parties	
Lloyds Steels Industries Limited	
Thriveni Earthmovers Private Limited	
Lloyds Employees Welfare Trust	

Details of compensation & remuneration to Key Managerial Persons (KMPs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Nature of transaction		
Short-term employee benefits	104.89	96.58
Post-employment benefits	13.37	29.92
Other Long-term benefits	8.70	-
Termination benefits	-	-
Director Sitting Fees	2.60	1.82
Total compensation to key management person	**129.56**	**128.32**

Details of transactions during the year and outstanding at year end where related party relationship existed:

(₹ in Lakhs)

Particulars	Total	
Party's name	Year ended 31st March 2022	Year ended 31st March 2021
Purchases		
Thriveni Lloyds Mining Private Limited	947.40	-
Thriveni Earthmovers Private Limited	5,331.62	-
Lloyds Steels Industries Limited	1,956.20	-
Total	**8,235.22**	**-**
Interest Paid		
Lloyds Steels Industries Limited	40.93	-
Total	**40.93**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

Particulars	Total	
Party's name	Year ended 31st March 2022	Year ended 31st March 2021
Trade Receivable		
Thriveni Earthmovers Private Limited	97.43	-
Lloyds Steels Industries Limited	75.63	-
Lloyds Employees Welfare Trust	4.95	53.16
	177.01	**53.16**

A. Key Managerial Personnel are under the employment of Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further reimbursement of expenses to KMP are not included above.

B. Director's remuneration for the year 2021-2022 is as per limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

C. All related party contracts/arrangements have been entered in ordinary course of business and are approved by the board of directors.

33. Earnings per share (EPS)

Particulars			2021-2022	2020-2021
Weighted average number of equity share for basic EPS	(A)	Nos	**3,408.20**	2,420.43
Add : Potential equity shares		Nos	**147.65**	261.66
Weighted average number of equity shares for diluted EPS	(B)	Nos	**3,555.86**	2,682.09
Face value of equity share (fully paid)		1	**1**	1
Profit attributable to equity shareholders for Basic Diluted EPS	(C)	₹ Lakhs	 **9,737.68** **9,898.17**	 **12.68** **156.91**
Earnings per equity share				
Basic	(C/ A)	₹	**2.86**	0.01
Diluted	(C/ B)	₹	**2.78**	0.06

34. Contingent Liability

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Letter of Credit/Guarantees issued by Banks	1,356.12	557.37
(b)	Disputed claims of Excise	1,687.75	589.66
(c)	Demand notice by Income tax	3,200.87	-
(d)	Claims against the Company not acknowledged as Debts	320.70	162.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

35. Share Based Payments Plans (ESOP)

The Company introduced "LLOYDS METALS AND ENERGY LTD. ESOP – 2017"which covers the eligible employees of the Company and its subsidiaries. The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 5 (Five) years.

Details of "LLOYDS METALS AND ENERGY LTDESOP – 2017"

Date of Grant	Options granted	Weighted average fair value of options	Exercise Price
20-Sep-2018	63,61,640	₹ 13.37/-	4.00
31-Jan-2019	3,05,000	₹ 10.61/-	4.00

The fair value of the options was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Grant date	Vest date	Historical Volatility	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
20-Sep-2018	20-Sep-2019	64.49%	2.50 Years	8.02%	0.00%
20-Sep-2018	20-Sep-2020	71.77%	3.50 Years	8.08%	0.00%
20-Sep-2018	20-Sep-2021	72.44%	4.50 Years	8.09%	0.00%
20-Sep-2018	20-Sep-2022	73.77%	5.50 Years	8.12%	0.00%
31-Jan-2019	20-Sep-2020	66.72%	3.14 Years	6.98%	0.00%
31-Jan-2019	20-Sep-2021	70.13%	4.14 Years	7.18%	0.00%
31-Jan-2019	20-Sep-2022	70.54%	5.14 Years	7.22%	0.00%

The information covering stock options is as follows:-

Particulars	ESOP 2017	
	As at 31st March, 2022	As at 31st March, 2021
Outstanding at the beginning of the year (A)	7,90,000	33,85,820
Exercisable at the beginning of the year (B)	13,25,820	25,70,820
Granted (C)	-	-
Options Vested during the year (D)	3,20,000	25,95,820
Forfeited /Lapsed (E)	-	-
Exercised (F)	15,25,820	38,40,820
Outstanding at the end of the year(A+C-D-E)	4,70,000	7,90,000
Exercisable at the end of the year (B+D-F)	1,20,000	13,25,820

Since equity shares are listed hence for the purpose of calculating volatility, volatility of shares based on the expected life is considered.

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows

(₹ in Lakhs)

Particulars	2021 - 22	2020 - 21
SBP Expenses Compensation Cost	20.84	111.90
SBP ESOP Expenses	-	0.51
Total employee share-based payment expense	**20.84**	112.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

36. Borrowing – Non Current **(₹ in Lakhs)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non Current	*Current Maturities	Non Current	*Current Maturities
A) Secured- At Amortized Cost				
a) Term Loans				
i) NBFC's	4,000.00	900.00	-	-
ii) Banks	1,627.92	414.39	6,634.38	1,932.33
b) Other loan	44.07	35.75	79.96	41.86
B) Unsecured- At Amortized Cost				
a) Deferred payment Liabilities	-	631.71	-	631.71
b) Loan from Body Corporate	-	-	2,602.28	2,521.00
Total	**5,671.99**	**1,981.86**	**9,316.62**	**5,126.90**

(*Amount disclosed under Current Maturities (Refer Note 16 (iii))

The monthly statement of the current assets filed by the company with Bank is in agreement with the books of accounts.)

Security

A. The loans mentioned in A(a)(i) of ₹ 4900.00 Lakhs is secured with Promoter property to the extent of the repayments of loans (Principal + Interest) and is shared on pari-passu basis between the lenders.

B. Of the loans mentioned in A(a)(ii) of ₹ 1856.09 Lakhs is secured with exclusive charge over the financed assets, pari-passu charge on all present and future fixed assets (except assets exclusively charged with other lenders) and second pari-passu charge on all present and future current assets and loan of ₹ 186.22 Lakhs is secured with exclusive charge over the financed assets.

Terms of Repayment **(₹ in Lakhs)**

Particulars	Amount outstanding as at 31st March 2022	F.Y. 22-23	F.Y. 23-24	F.Y. 24-25	F.Y. 25-26	F.Y. 26-27	F.Y. 27-28
A) Secured- At Amortized Cost							
a) Term Loans							
(i) NBFC's	4,900.00	793.33	1,066.67	1,066.67	1,066.67	906.67	-
(ii) Banks	2,042.31	433.47	422.54	358.06	336.26	336.26	155.72
(iii) Other Loan	79.82	35.75	18.93	18.38	6.75	-	-
ii) Unsecured- At Amortised Cost							
(a) Sales Tax Deferral	631.71	631.71	-	-	-	-	-
Total	**7,653.85**	**1,894.27**	**1,508.14**	**1,443.11**	**1,409.68**	**1,242.93**	**155.71**

Notes:-

A. The Loans from NBFC's is to be repaid in 20 quarterly instalments from the date of disbursement. 4% of the principal amount to be paid in the first 2 quarterly instalment and remaining 96% of principal amount to be paid in the next 18 quarterly instalment. Interest to be paid on monthly basis.

B. Term Loan from Banks with balance outstanding of ₹ 1,856.09 Lakhs is to be repaid in 66 equal monthly instalments.

C. The rate of interest for term loans from NBFC's and Banks range from 8% to 10.50 % and the rate of interest for other loans range from 7% to 8%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

37. Segment reporting under Ind AS – 108

Disclosures as required by the Ind AS - 108 on "Segment Reporting" are given below:

For management purposes, the Company is organized into business units based on its services and has Three reportable segments, as follows:

i) The Sponge Iron segment which includes production and manufacturing of Sponge Iron.

ii) The Mining Segment which includes production and manufacturing of Iron Ore

iii) The Power segment which includes generation of power

(₹ in Lakhs)

Sr. No.	Particulars	31st March, 2022				31st March, 2021			
		Sponge Iron	Power	Mining	Consolidated	Sponge Iron	Power	Mining	Consolidated
a)	**Segment Revenue :**								
	Sales :								
	External	44,542.11	49,72.94	23,796.64	73,311.69	24,187.30	3,640.86	-	27,828.16
	Less : Inter division transfer	-	586.39	-	586.39	-	497.24	-	497.24
	Total	**44,542.11**	**4,386.55**	**23,796.64**	**72,725.30**	**24,187.30**	**3,143.62**	**-**	**27,330.92**
b)	**Segment Result :**								
	Operating Net Profit	2,820.16	2,124.14	12,127.83	17,072.13	1,362.09	1,776.10	-	3,138.19
	Common Expenses (Net)	-	-	-	(1,341.96)	-	-	-	(1,443.29)
	Interest	-	-	-	(1,814.09)	-	-	-	(1,682.22)
	Exceptional Item	-	-	-	(5,136.39)	-	-	-	-
	Profit before tax	-	-	**-**	**8,779.68**	-	-	**-**	**12.68**
c)	**Share of Profit/Loss of joint Venture**	-	-	-	7.34	-	-	**-**	-
d)	**Segment Assets :**	**40,031.01**	**20,959.28**	**19,195.82**	**80,186.11**	**50,262.29**	**20,959.28**	**-**	**71,221.57**
	Common Assets	-	-	-	2,199.54	-	-	-	803.78
	Total	**40,031.01**	**20,959.28**	**19,195.82**	**82,385.65**	**50,262.29**	**20,959.28**	**-**	**72,025.35**
e)	**Segment Liabilities :**	8,906.00	4.98	1,515.16	10,426.14	13,588.22	25.49	-	13,613.71
	Common Liabilities	-	-	-	1,394.80	-	-	-	2,029.65
	Total	**8,906.00**	**4.98**	**1,515.16**	**11,820.94**	**13,588.22**	**25.49**	**-**	**15,643.37**
f)	**Capital Employed (including goodwill) Segment Assets – Segment Liabilities**	31,125.01	20,954.30	17,680.66	69,759.97	36,674.07	20,933.78	-	57,607.85
	Common Assets/Liabilities	-	-	-	804.74	-	-	-	(1,225.87)
	Total	**31,125.01**	**20,954.30**	**17,680.66**	**70,564.71**	**36,674.07**	**20,933.78**	**-**	**56,381.98**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

38. a) The Company does not envisage any liability for income tax for the current year in absence of any taxable income.

i) The major component of the Tax expenses are:

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Current Income Tax		
For the Year	-	-
Deferred Tax recognized during the year in the P/L	(950.68)	0.00

ii) The Analysis of Deferred Tax Assets and expenses is as follows

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Assets		
Brought Forward Losses	4,950.87	7,949.68
Leasehold Assets as per IND AS 116	0.90	3.63
Employee Benefits	12.83	187.12
Depreciation on Property, Plant and Equipment	(2,140.60)	(6,267.11)
Net Deferred Tax Assets	2,823.99	1,873.32

iii) The Movement in deferred tax assets and liabilities during the year is as follows

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	1,873.32	1,873.32
Tax (expenses)/ Income recognised in the statement of Profit and Loss	950.67	-
Tax (expenses)/ Income recognised in OCI	-	-
Closing Balance	2,823.99	1,873.32

39. Ind AS 116, Leases Impact

The Company has been adopted Ind AS 116 in F.Y 2019-20. The estimated impact of Ind AS 116 on the Company's financial statements at 31 March 2022 is as follows:

The details of the right-of-use assets held by the Company is as follows:

	Additions for year ended March 31, 2022	Net carrying amount as at March 31, 2022
Building	NIL	60.28
Total	**NIL**	**60.28**

Depreciation on right-of-use assets is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Building	18.55	43.68
Total	**18.55**	**43.68**

Interest on lease liabilities is ₹ 9.5 lakhs and ₹ 24.67 lakhs for the years ended on March 31, 2022 and 2021, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Statement of Cash flows:

The total cash outflow for leases is ₹ 25.05 lakhs and ₹ 58.78 lakhs for years ended March 31, 2022 and 2021, respectively.

40. Additional Regulatory Information

CWIP aging schedule **(₹ In Lakhs)**

Particulars	Upto 1 year	1 Year to 2 Year	2 Year to 3 Year	>3 Year	Total
Subyard	153.29	-	-	-	153.29
Steel Division	4,091.16	4,172.25	2.00		8,265.41
Surjagarh Mining	9.30	-	-	-	9.30
Konsari Project	130.90	4.80	3.10		138.80
HR Coil Project	10.00	-	-	-	10.00
Head Office	11.23	-	-	-	11.23
Total	**4,405.88**	**4,177.05**	**5.10**	**-**	**8,588.03**

41. Corporate social responsibility (CSR) expenditure

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amount required to be spent by the company during the year	22.57	33.84
1 Amount of the expenditure incurred	26.13	34.88
2) Reason for shortfall	NA	NA
3) Nature of CSR Activities	Promoting education, Promoting health including health care and Providing clean drinking water	

42. Previous year's figures are regrouped and rearranged wherever necessary.

43. As at 31st March 2022, consolidated financial statements of Lloyds Metals and Energy Limited have been prepared on the basic of unaudited financial statement of Thriveni Lloyds Mining Private Limited.

44. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 29th April, 2022.

As per our Report of Even Date
For VSS & ASSOCIATES
Chartered Accountants
Firm Registration No 105787W
Sd/-
Sanjay Jain
Partner
Membership No 46565
UDIN: 22046565ALUYVS4733

Place : Mumbai
Date : 29th April 2022

For and on behalf of the Board of Directors of
Lloyds Metals And Energy Limited

Sd/-
Babulal Agarwal
Managing Director
DIN: 00029389

Sd/-
Mukesh Gupta
Chairman
DIN: 00028347

Sd/-
Riyaz Shaikh
Chief Financial Officer

Sd/-
Trushali Shah
Company Secretary
Membership No.-ACS-61489

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below:

S. No.	Name of the proposed Allottees#	Percentage of the post-Issue share capital held (%)^*
1.	[•]	[•]
2.	[•]	[•]
3.	[•]	[•]
4.	[•]	[•]
5.	[•]	[•]

^ Based on beneficiary position as on [•]

#Subject to receipt of funds and Allotment in the Issue. The above table has been intentionally left blank and the details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees

**The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Mukesh Rajnarayan Gupta
Chairman and Non-Executive Director
Date: July 4, 2024
Place: Mumbai

DECLARATION

We, the Board of Directors of the Company, certify that:

i the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

ii the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

iii the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4)

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Mukesh Rajnarayan Gupta
Chairman and Non-Executive Director
Date: July 4, 2024
Place: Mumbai

I am authorized by the Board of Directors vide resolution dated March 21, 2024, read with the resolution of the Committee of Board of Directors dated July 4, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Mukesh Rajnarayan Gupta
Chairman and Non-Executive Director
Date: July 4, 2024
Place: Mumbai

LLOYDS METALS AND ENERGY LIMITED

CIN: L40300MH1977PLC019594
Registered Office
Plot No. A 1-2, MIDC Area Ghugus,
Chandrapur – 442 505,
Maharashtra, India
Telephone: +91 6291 8111
Email: investor@lloyds.in
Website: https://www.lloyds.in/

Corporate Office
A-2, 2nd Floor, Madhu Estate, Pandurang Budhkar Marg,
Lower Parel, Mumbai – 400013, Maharashtra, India

Contact Person

Trushali Shah
Designation: Company Secretary and Compliance Officer
Address: A-2,2nd Floor, Madhu Estate, Pandurang Budhkar Marg,
Lower Parel Mumbai – 400 013, Maharashtra, India
Telephone: 022 62918111
E-mail: investor@lloyds.in

BOOK RUNNING LEAD MANAGER

JM Financial Limited
7thFloor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025, Maharashtra, India

LEGAL COUNSEL TO THE COMPANY
As to Indian law
J. Sagar Associates
One Lodha Place, 27th Floor,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013, Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

As to Indian law
Trilegal
One World Centre, 10th Floor, Tower 2A & 2B,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013, Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049321

STATUTORY AUDITORS OF OUR COMPANY
M/s TODARWAL AND TODARWAL LLP
112, Maker Bhavan No. 3, 1st Floor, 21 New Marine Lines, Mumbai – 400020, Maharashtra, India

SAMPLE APPLICATION FORM

An indicative form of the Application Form is set forth below:

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

<table>
<tr><td>LLOYDS METALS</td><td rowspan="2">Name of Bidder: ____________

Form No: __________________

Date: ______________________</td></tr>
<tr><td>LLOYDS METALS AND ENERGY LIMITED

(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)

CIN: L40300MH1977PLC019594;
Registered Office: Plot No A 1-2, MIDC Area Ghugus, Chandrapur, Maharashtra, India, 442505;
Corporate Office: A-2, 2nd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Lower Parel, Mumbai, Maharashtra 400013;
Contact Person: Trushali Shah, Company Secretary and Compliance Officer;
Email: investor@lloyds.in; Website: www.lloyds.in
LEI Code:335800T4YOINEGMM8W27; ISIN: INE281B01032</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH BY LLOYDS METALS AND ENERGY LIMITED (THE "COMPANY") (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UP TO ₹ [●] CRORES UNDER SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT") READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 732.08 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations which: (i) (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form; and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) are not permitted to participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. You understand that the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where such offers and sales are made. You represent that you were outside the United States when the offer to purchase the Equity Shares was made to you and you are currently outside the United States and that you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in

Regulation S). 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 jurisdictions. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 217 and 228, respectively, in the accompanying preliminary placement document dated July 4, 2024 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
Lloyds Metals and Energy Limited
Plot No. A 1-2, MIDC,
Ghugus, Chandrapur – 442505**,**
Maharashtra, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoter of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoter or persons related to promoter of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares to be Allotted under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Board of Directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with JM Financial Limited (the "**Book Running Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**"), and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if we withdraw the Bid before Issue Closing Date, or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further understand, agree and consent that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations, undertakings and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD and the Application Form and have read it in its entirety including in particular, the section titled "***Risk Factors***" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares, otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and 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 of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" (as defined in and in reliance on Regulation S) and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we have read the representations, warranties and**

agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the PPD.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND PIN CODE			
COUNTRY			
TELEPHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
LEI No.			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS										
Depository Name (Please ✓)	National Security Depository Limited									Central Depository Services (India) Limited
Depository Participant Name										
DP – ID	I	N								
Beneficiary Account Number										(16 digit beneficiary account. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.**

<table>
<tr><th colspan="2">ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER</th></tr>
<tr><th colspan="2">BY 3.00 P.M. (IST), [●], being the Issue Closing Date</th></tr>
<tr><td>Name of the Account</td><td>LLOYDS METALS AND ENGERY LIMITED QIP ESCROW ACCOUNT</td></tr>
<tr><td>Name of the Bank</td><td>ICICI Bank Limited</td></tr>
<tr><td>Address of the Branch of the Bank</td><td>Bhanjaprava Building, Opp. Sriya Talkies, Unit 3, Janpath, Bhubaneswar – 751001, Orissa</td></tr>
<tr><td>Account Type</td><td>Escrow A/C (Current)</td></tr>
<tr><td>Account Number</td><td>006105033368</td></tr>
<tr><td>IFSC</td><td>ICIC0000061</td></tr>
<tr><td>Tel No.</td><td>0674-6771119</td></tr>
<tr><td>E-mail</td><td>Sarthak.mohanty@icicibank.com</td></tr>
</table>

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of “LLOYDS METALS AND ENERGY LIMITED QIP ESCROW ACCOUNT”. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

<table>
<tr><th colspan="5">RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)</th></tr>
<tr><td>Bank Account Number</td><td></td><td>IFSC Code</td><td colspan="2"></td></tr>
<tr><td>Bank Name</td><td></td><td>Bank Branch Address</td><td colspan="2"></td></tr>
<tr><th colspan="2">NO. OF EQUITY SHARES BID</th><th colspan="3">PRICE PER EQUITY SHARE (RUPEES)</th></tr>
<tr><td>(In figures)</td><td>(In words)</td><td colspan="2">(In figures)</td><td>(In words)</td></tr>
<tr><td></td><td></td><td colspan="2"></td><td></td></tr>
<tr><th colspan="5">BID AMOUNT (RUPEES)</th></tr>
<tr><td>(In figures)</td><td colspan="4">(In words)</td></tr>
<tr><td></td><td colspan="4"></td></tr>
</table>

<table>
<tr><th colspan="4">DETAILS OF CONTACT PERSON</th></tr>
<tr><td>NAME</td><td colspan="3"></td></tr>
<tr><td>ADDRESS</td><td colspan="3"></td></tr>
<tr><td>TEL. NO.</td><td></td><td>FAX NO.</td><td></td></tr>
<tr><td>EMAIL</td><td colspan="3"></td></tr>
</table>

<table>
<tr><th colspan="2">OTHER DETAILS</th><th>ENCLOSURES ATTACHED</th></tr>
<tr><td>PAN*</td><td></td><td rowspan="4">Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIRC
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of Power of Attorney
☐ Other, please specify</td></tr>
<tr><td>Date of Application</td><td></td></tr>
<tr><td>LEI</td><td></td></tr>
<tr><td>Signature of Authorised Signatory

(may be signed either physically or digitally) **</td><td></td></tr>
</table>

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the Book Running Lead Manager.

(3) The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Manager either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

(4) This Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.