

LLOYDS METALS & ENERGY LTD

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Lloyds Metals and Energy Limited, as part of its 4,180 crores (~ USD500 mn) fundraise, has closed its QIP and approved a Preferential Issue.

Mumbai, 9th July 2024

Lloyds Metals and Energy Ltd. (LMEL), one of the largest iron ore miners by volume in India, is proud to announce the successful raising of ₹1,218 crores through a Qualified Institutional Placement (QIP).

The company allotted 1.75 crore shares via the QIP. JM Financial Limited was the sole Book-Running Lead Manager for the QIP. The QIP garnered interest from a diverse range of investors, including long-only funds, mutual funds, insurance companies, and other key stakeholders, reflecting their belief in LMEL's vision and growth potential.

The proceeds from the QIP will be utilised for setting up a 4 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, in line with our business strategies and growth plans to achieve forward integration.

Furthermore, 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 also 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 the 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. Proceeds of this will be used for another 4 Million MT Pellet Plant , taking a total to 8 Million MT also, additional DRI and power capacities at Chandrapur will be setup with these proceeds

Riyaz Shaikh, CFO of LMEL, commented, *"This fundraise marks an exceptional milestone in our company's history. It will bolster our capital structure even further, enhance our financial flexibility, and enable us to accelerate our growth plans. This fundraising is a testament to the confidence investors have in LMEL's distinctive position and future prospects in the Indian iron ore and steel sector.*

The company is proud to highlight that it maintains a debt-free position, which mitigates the volatility of commodity prices on LMEL's cash flow. The confidence shown by the wide variety of market investors is truly encouraging and validates our strategic direction. Our sincere thanks go to the JM Financial team for their invaluable support in our fundraising efforts.

Rajesh Gupta, Managing Director of LMEL, added, *"The response from investors is a strong endorsement of our company's potential and operational robustness. We are committed to leveraging this support to navigate the changing landscape of steelmaking in India and to maintain our strong operational and financial grip. Our efforts are underway to put Gadchiroli & Chandrapur as major steel district on India's map.*

About Lloyds Metals & Energy Ltd

Lloyds Metals and Energy Limited ("LMEL"), incorporated in 1977, is a Direct Reduced Iron ("DRI") manufacturer and is one of the largest iron ore miners by volume in India as of March 31, 2024. It has a 3,40,000TPA annual installed capacity for Direct Reduced Iron ("DRI") across two Districts in Maharashtra (as of March 31, 2024) and 34MW of combined capacity of waste heat recovery based ("WHRB") power plants. LMEL has a current permitted extraction capacity of 10 MTPA of iron ore over an area of 348.09 Ha. at Surjagarh Village, Gadchiroli district in Maharashtra.

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