LLOYDS METALS

LLOYDS METALS AND ENERGY LIMITED

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Date: 24th October, 2024

To,

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, Bandra Kurla Complex,
Dalal Street, Mumbai – 400001	Bandra (East), Mumbai - 400 051
BSE Scrip Code: 512455	**NSE Symbol: LLOYDSME**

Sub: Transcript of the Conference Call for investors and analysts for Business Update

Dear Sir/Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), and in furtherance to our intimation dated 16th December, 2024 regarding Conference call with Analyst(s) /Investor(s) held on Thursday, 19th December, 2024 we would like to inform that the transcript of the aforesaid conference call is attached herewith and the same is also available on the website of the Company at www.lloyds.in/.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,
Yours Sincerely,
For Lloyds Metals and Energy Limited

Akshay Pankaj Vora
Digitally signed by Akshay Pankaj Vora
Date: 2024.12.24 11:21:33 +05'30'

Akshay Vora
Company Secretary
Membership No.: ACS43122

"Lloyds Metals and Energy Limited

Update Call"

December 19, 2024

MANAGEMENT: **MR. RAJESH GUPTA – MANAGING DIRECTOR – LLOYDS METALS AND ENERGY LIMITED**
MR. RIYAZ SHAIKH – CHIEF FINANCIAL OFFICER – LLOYDS METALS AND ENERGY LIMITED
MR. HEMANKUR – DEPUTY CHIEF FINANCIAL OFFICER – LLOYDS METALS AND ENERGY LIMITED

MODERATOR: **MR. SIDDHARTH GADEKAR – EQUIRUS SECURITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good morning and welcome to the Update Call for Lloyds Metals and Energy Limited. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star, then zero on your touchtone telephone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Siddharth Gadekar from Equirus Securities Pvt. Ltd. Thank you and over to you, sir.

Siddharth Gadekar: Good morning, everyone, and thank you for joining us today. We, at Equirus are pleased to host Lloyds Metals and Energy's Business Update Call to discuss the acquisition of the Thriveni's mining business and the other initiatives taken up by the company. We have with us today Mr. Rajesh Gupta, Managing Director, Mr. Riyaz Shaikh, CFO. Now I would like to invite Mr. Rajesh Gupta to initiate the proceedings for the call. Over to you, sir.

Rajesh Gupta: Good morning, everyone. It is a pleasure to welcome all of you to today's call. I would like to begin by thanking Siddharth and the team at Equirus for organizing and hosting this session.

A warm welcome to all our investors. We greatly value your time and interest in our company, Lloyds Metals. The purpose of today's call is to share some key updates on the strategic initiatives that we have undertaken recently and decided on our board meeting yesterday.

These steps are part of a larger vision to establish Lloyds Metals as a strong, low-cost and high-efficient player in the steel and mining sector. Emphasis is now on going to be on managing the growth that we have charted for the next five years. Being in the steel and mining business, our focus is crystal clear, keeping costs at a minimum which enables us to stay resilient during challenging times like the current steel cycle.

Keeping this in mind, we have acquired a majority stake in Thriveni Earthmovers Infrastructure Pvt. Ltd., which holds the mining development and operations segment of Thriveni Earthmovers Pvt. Ltd. This move significantly strengthens the bond between our two co-promoters, creating a very formidable and collaborative partnership.

It allows us to ramp up our mining output at the Surjagarh Iron ore mine from the current 10 million tons to ultimately 25 million tons of output at a very effective cost. Beyond volume growth, this initiative will reduce mining costs substantially, reinforcing our operational competitiveness. The acquisition brings an impressive order book of INR70,000 crores over the next 15-18 years and is expected to add robust revenue and profit to the company, with cumulative revenues of approximately INR27,000 crores and EBITDA of INR9,000 crores between the next three years FY26-28.

These initiatives make our company stronger than ever, positioning us with a robust foundation and immense potential to deliver consistent performance and shareholder value. Of course, in the longer run, Lloyd Metal's strength in the balance sheet will grow international avenues for Thriveni as well. We have also partnered with Lekcon-NCC Consortium and ultimately with APMDC Andhra Pradesh Mineral Development Corporation to ensure supply of key raw material like coking coal, where we will be having an MDO contract at the Brahmadiha Coal Block in Jharkhand.

This partnership is a critical step towards securing the supply of coking coal for our upcoming steel plant in Chandrapur with a capacity of 1.2 million tons of steel. Ensuring a steady and cost-effective supply of this raw metal enhances our operational efficiency and strengthens our resilience. It is a vital step in aligning with our long-term growth plans and diversifying our raw metal resources and will stabilize our net coal costs at the new steel plant.

Regarding our green efforts, in line with our commitments, we have been investing continuously in green energy and green usage. We are now investing in two renewable energy projects to secure 100 MW of green power for capital consumption. These projects, executed in collaboration with Hinduja and with Amplus, a part of the Petronas Group, will serve our grinding units, slurry pipeline and pellet plant operations.

This shift to renewable energy will not only deliver annual cost saving of approximately INR100 crores, but also significantly reduce our carbon footprint, underscoring our commitment to environmental responsibility. Along with this, we have also in the past signed a contract with GAIL using LNG. This is in addition to our already ongoing efforts to run the mine itself on electrification instead of fossil fuel, which will make the mine near zero carbon in the very near future.

Our ultimate aim is to transform this business into a rare, non metals business, which is non-cyclical one, ensuring sustainable growth and consistent value creation. Revenue is vanity and profitability is sanity will be the mantra going forward. Thank you for your attention, everybody. The floor is now open to your questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Parthiv Shah from TSBPL. Please go ahead.

Parthiv Shah: Good morning, sir. And congratulations on this deal. Sir, I would really appreciate if you could explain in detail how exactly this deal is structured. No doubt it is there on your PowerPoint, but would like to hear it from you. Also, sir, I would appreciate to understand that, you know, the projections that have been given for the Thriveni MDO business, which goes right up to FY29. So, taking those numbers, by then even Lloyd's mining capacity would have been enhanced to 55 million tons.

So, what sort of contribution does Lloyd bring in that particular business and what other businesses we are targeting?

Rajesh Gupta: Regarding structure, I will request Hemankur, our Deputy CFO, to respond.

Hemankur: Hello. Good morning, everyone. So, I think we had outlined the slides. So, primarily, how it is structured is that Thriveni Earthmovers, which is housing the MDO business and some other family investments of the other co-promoters of Lloyd's Metals, Mr. Prabhakaran and his family, that is currently in the process of a de-merger. So, that de-merger is currently being heard at NCLT Chennai and it is expected to complete in 6 to 8 months. So, the process of demerger will ultimately result in the MDO business being transferred to a new entity, which was formed earlier this year, and the entity is called Thriveni Earthmovers and Infra Limited.

The process of demerger is that MDO business is received by this company and redeemable preference shares are issued by them as a consideration to the shareholders of the original entity, which is including Mr. Prabhakaran and family and some other investors. Now, going forward, basically, Lloyds will be investing into this entity. So, by investing an amount of INR70 crores, they will be acquiring near about 79.82% or 80% of the shareholding of this new entity. And thus, it will become a majority shareholder of the MDO business.

As a part of the deal, basically, as the majority shareholder is changing, so Lloyds, when coming in as a major shareholder, they are guaranteeing the redemption of redeemable preference shares, the amount of which is INR2,157 crores, and that will be redeemed over a period of three years, near about three years. So, last tranche is to be paid out by 31st March 2028. So, it's near about three-year installments, equal installments of INR700 crores to INR750 crores each. So, that's how the structure is consummated. We'll wait for the NCLT approval for MDO business to come in and RPS to be issued.

Parthiv Shah: So, does this bring also the equipment fleet and everything? And also, I just wanted to understand that instead of this, what else remains in Thriveni Earthmovers Private Limited? And instead of this, why not -- we would have entirely merged that company into Lloyds Metals?

Hemankur: So, very good question. I think what remains in Thriveni Earthmovers are family investments. We are not pervy to what all other investments they have, but this includes the entire business, which is the MDO business, including all assets, amenities, manpower, equipment, workshops, fixed assets, the rebuild business, everything all put together. So, only what is remaining is primarily family investments. A major part, of course, we all know that they are holding near about 32% of Lloyds Metals shares. So, it would have been non-prudent to acquire a parent company and merge it. I mean, that would have been very complicated and very difficult. So, definitely this demerger was required for the business to be transferred into a new entity.

Parthiv Shah: Does this require any non-complete clause to be signed? So, going ahead in future, can Thriveni Earthmovers Private Limited bid for other MDO rights in other locations?

Hemankur: Can you repeat that please?

Parthiv Shah: Does this come with a non-compete clause? Can, in future, Thriveni Earthmovers Private Limited bid separately for other MDO contracts? Or in future, all the MDO contracts will be housed under Lloyds only after this deal?

Hemankur: All the contracts will be housed under this new entity. Basically, the main idea for this acquisition or bringing the business together is primarily to align the interest so that both the co-promoters increase their alignment of business, and they share a major part of their family wealth in the same business. So, that's how it is going to continue. So, all the MDO businesses will be under this new entity. That is an undertaking given by the Thriveni promoters.

Parthiv Shah: And as mentioned in the Slide 8, this deal, if I have to understand the valuation, it is happening at an enterprise valuation of INR4,952 crores. Is that correct?

Hemankur: Yes, that's right.

Parthiv Shah: So, the debt which is brought on to Lloyds book from Thriveni's book is, I think, debt related to all the equipment that has been purchased. So, that's how the equipment is also coming into Lloyds book, right?

Hemankur: Yes, yes, correct. So, it includes working capital, it includes equipment finance loan, it includes term loans which are taken for the business of MDO.

Parthiv Shah: Okay. Last question…

Rajesh Gupta: Just to simplify, all the operating assets of the Thriveni Earthmovers Private Limited will be moving to Thriveni Earthmovers and Infra Private Limited.

Parthiv Shah: Okay. And sir, going ahead, what happens to the 20% stake which is in private capacity? Will Lloyds be also acquiring that and making it a 100% subsidy?

Rajesh Gupta: So, both the promoters will be controlling part of this, and part will be with some other shareholders of Thriveni Earthmovers Private Limited,

Parthiv Shah: Okay. And sir, last question. You mentioned that there will be around 10% to 15% addition in the mining margins of Lloyds' existing mining operations. So, on a per ton basis, what does that percolate into?

Hemankur: So, see, basically for our mining business, there will be a 10% to 15% addition because of the combination of the MDO business margins. Primarily, as has been outlined, I think, earlier by Mr. Rajesh, roughly 50% of the MDO cost is primarily margin for the MDO. That as a percentage of our revenues for mining, which is, let's say, near about INR4,500-odd. So, that INR500 on that is primarily the 10% to 15% margin increase which is happening.

Parthiv Shah: So, around INR500 per ton is savings for Lloyds with having this MDO operation?

Rajesh Gupta: Yes, all consolidated.

Parthiv Shah: Thank you very much. That answers all my questions. All the best for the future.

Moderator: Thank you. The next question comes from the line of Parthiv from Anand Rathi. Please go ahead.

Parthiv: Hi. Thank you for the opportunity. Congratulations on the new structure, sir. I just had a couple of quick questions. If you can just walk me through one of the slides, you have mentioned that the total guarantee is up to INR2,500 crores. So, what exactly -- am I reading it wrong or is it INR2,157 crores? I am not able to get that. I think Slide 5 you have mentioned somewhere.

Hemankur: See, basically the RPS being issued is INR2,157. But of course, if we see the RPS terms, because they will be redeemed over a period of time. So, there is a 9.5% coupon which is payable on them. So, to account for that, we have kept that buffer. But the redemption amount is primarily going to the principal amounts. And this coupon will be payable in case the dividend is paid by the company. So, that is why that amount has been built in to keep a cushion for that buffer.

Parthiv: So, my second question is remaining to that another 3.08% which is with the other shareholders. Does Lloyds or have any info on that, that in future they will be acquiring at a certain valuation if it comes up? Anything on that front?

Hemankur: So, the 3.08% is actually with one of the clients which is there for the MDO business. And they have been 6.5% shareholders in the original Thriveni Holding Company. So, as a part of the negotiations and as a part of the agreement with them, this has been negotiated to have them the 3.08%. And that is one of the conditions that they have agreed to this transaction. And they will continue with us to be in the longer run.

Rajesh Gupta: This particular shareholder has been a partner with Thriveni since the beginning of the journey of Thriveni.

Parthiv: Okay. Got it. And sir my last question is what is the saving you mentioned when this business becomes a subsidiary? It's INR500 per ton for Lloyds?

Rajesh Gupta: Again, on a consolidated basis that's approximately the margin INR350 to INR500 depending on the month, the year, the type of iron ore coming out, etc. That's the approximate margin on the total contract that is currently with Thriveni. So, that will get consolidated into the books of Lloyds Metals consolidated. That's the figure that we are talking about.

Parthiv: Okay, thank you. That answers most of my questions. Thank you so much.

Moderator: Thank you. The next question comes from the line of Siddharth Gadekar from Equirus Securities Private Limited. Please go ahead.

Siddharth Gadekar: Hi, sir. Good morning. So, when we look at the slide number 6 or the kind of EBITDA that Thriveni MDO operations would be doing, can you just outline what all projects are there in the MDO business besides the Lloyd Metal mining operations?

Rajesh Gupta: So, the kind of projects that are there is Pakri Barwadih is one project with NTPC, where we are mining around 16 million, 18 million tons of coal there. We are mining around 35 million tons of iron ore in Odisha in around 5 or 7 mines. We are mining barytes for APMDC, around 3 million tons. And we are mining around 5 million tons of coal in Indonesia in Satui Coal Project.

So, approximately 71 million tons including Lloyd Metal current is the EC or the total limit of the contracts today. And I would also like to refer all the participants to our website where we have uploaded a more detailed presentation which will give details of all these contracts etc. on that site including a geographical map etc. showing the total business of Thriveni in a more detailed way.

Siddharth Gadekar: Okay, got it. And secondly, in terms of the new coking coal project in Andhra Pradesh, even there we will be participating as a MDO through this entity itself?

Rajesh Gupta: No, that project for some reasons of stronger balance sheet etc., APMDC required Lloyd Metal to participate directly, but the subcontract will be given to this entity, yes.

Siddharth Gadekar: Okay, so lastly when we look at our growth projects now, given that we would be moving towards 55 million tons EC in the next by FY26, incrementally in the EBITDA assumptions, how should we think about Lloyd's contribution in that?

Rajesh Gupta: So, just to clarify one thing the 55 million tons is the raw material. The output would be constrained at 25 million tons of finished iron ore. After the BHQ is beneficiated. I couldn't understand the other part of your question.

Siddharth Gadekar: Basically, I wanted to understand that out of the INR3,000 crores EBITDA that Thriveni is forecasting for the next 2 years, 3 years per annum, what would be the contribution coming from Lloyd Metal in that?

Hemankur: So, I think basically the contribution will change as the production ramps up, but I think your question is more related to when we are mining the full capacity of 55 million tons because that will be a significant part of Thriveni's numbers. So, roughly one-third or 33% to 35% is the range that is there in those numbers coming from the Lloyd's contracts of 55 million tons.

Siddharth Gadekar: Okay, sir. Got it. Thank you so much.

Moderator: Thank you. The next question comes from the line of Nikunj Lahoti an Investor. Please go ahead.

Nikunj Lahoti: Hello, sir. My question is like you have manufactured two slurry pipelines. One of capacity of - you would be manufacturing, one 10 million ton and one 5 million ton slurry pipeline. So, how would you transport the last 10 million ton?

Rajesh Gupta: So, part of the materials whatever transportation we do will be through slurry pipelines. The 10 million tons that you are talking about would be transported as we are currently transporting by truck to the railway sliding and to our customers as the case may be.

Nikunj Lahoti: Okay. So, you would transport the last 10 million ton by railway sliding?

Hemankur: Yes.

Nikunj Lahoti: And 15 million ton through slurry pipelines?

Hemankur: Yes.

Management: And as we expand, actually a significant portion of that will be done by Thriveni's MDO business also. So, part of that contract, which was earlier under the transport contract, would also get consolidated into Lloyd's profitability.

Nikunj Lahoti: Thank you sir.

Moderator: Thank you. The next question comes from the line of Divy Agrawal from Ficom Family Office. Please go ahead.

Divy Agrawal: Thanks for taking my questions. So, I have two questions. First, on this merger, I mean, Thriveni Earthmovers, I believe, have mines as well. They own mines. So, are we getting the mines as well as the MDO business or just the MDO business apart from those mines?

Management: The Earthmovers control no mines by itself.

Divy Agrawal: Okay. So, Thriveni Earthmovers don't own any mines?

Rajesh Gupta: It's a pure play MDO service business.

Divy Agrawal: Okay. Sure, sir. And secondly, regarding the guarantees given by Lloyd's Metal to Thriveni Earthmovers, just in case Thriveni Earthmovers redeems those guarantees in its funds, so will Thriveni Infra repay the amount to Lloyd's Metal or how will be the transaction then?

Hemankur: So, see basically as a part of the demerger. So, there are two parts to the overall transaction. One is that demerger happens, and Thriveni Infra would have redeemed this RPS as per the shareholders which is the same shareholders for Thriveni Earthmovers and Thriveni Infra, which is Mr. Prabhakaran and family. Now, because that is changing and Lloyd's Metals is coming in as a majority shareholder, so, the two shareholders on the issuer and the receipt or holders of the RPS is different.

So, that's why this guarantee is being given. That Thriveni Infra will timely redeem this as per the agreed schedule and the guarantee is primarily given for that. Ideally, what we have seen from the cash flows, it should be able to self-service from the existing business as we ramp up and scale up.

Only in an event of eventuality that is not achieved for whatever purpose, in that case, the guarantee of Lloyd's Metals will come in, wherein they will have to either bridge the gap or take over on some of those obligations. And that can be done either way. It can be either through purchase of RPS or it can be through equity infusion in Thriveni Infra, which will then redeem.

So, yes, ultimately, it will be paid by the business. Only thing that can happen is that Thriveni Infra, I mean, only thing that can happen is that if it is not in three years, Lloyd's Metals will get back the money in four years. So, that's the only eventuality that can happen in a worst-case scenario. But yes, that will effectively be paid out of the profits of the MDO business which is being acquired.

Divy Agrawal: Okay, sure, sir. And last question. So, this INR70 crores valuation for Thriveni Infra, so how did you arrive at that INR70 crores?

Hemankur: Yes, so INR70 crores is just face value. So, actually, it's being acquired at nominal face value. So, that INR70 crores effectively will remain in the company. Because the company is a shell company without the MDO business. So, it's just INR70 crores infusion and INR70 crores sitting on the cash. So, cash is the value for that.

Divy Agrawal: Okay, so basically, if we see, so Lloyd's Metals is paying INR70 crores and we are getting the end-to-end business plus the guarantees. And if the guarantees are non-traded, so Lloyd's Metals eventually will pay just INR70 crores getting the business.

Hemankur: No, INR70 crores is actually infused in this company and INR70 crores will be used by the company for developing the business of MDO. So, INR70 crores is not paid out to any of the promoters. It will remain with the company.

So, effectively, 80% of that, actually, total infusion is INR87.7 crores, which is INR70 crores is Lloyd's Metals and INR17 crores is roughly by other investors. And all put together, so effectively, Lloyd's Metals owns 80% of that INR87.7 crores. So, effectively, it owns INR70 crores of cash as a part of 80% shareholding. So, that's the, it's done at nominal value, face value only.

Moderator: Thank you. The next question comes from the line of Vikash Singh from Phillip Capital. Please go ahead.

Vikas Singh: Congratulations, sir, on the successful completion of this. Sir, I have two clarifications, basically. Firstly, you said that you would be saving, after this merger, roughly about INR500 per ton. While we expect, you know, our previous call in Lloyd's Metals, , we were paying roughly about INR1000 plus per ton and this was expected to come INR800 per ton. So, why the net savings is less than what we are paying actually right now?

Rajesh Gupta: Thank you, Vikash, for your question. We had said around INR300-INR350 of saving once the total quantity comes up, from, including slurry pipeline. So, that's number one. We are mixing up two different issues of slurry pipeline saving and quantity of mining saving. Now, the third play is the consolidation of balance sheet. What we are saying is the INR500, the profitability of the contract of Lloyd's Metals with Thriveni. If that profitability, that will get consolidated into Lloyd's Metals balance sheet. The other figures remain the same.

Vikas Singh: Understood, sir. Sir, my second question pertains to our guarantees of this, up to INR2500 crores. Is this guaranteed based on achieving the projected EBITDA milestone or it is irrespective of the EBITDA, and this is at the current, today's junction, we are ready to pay this much?

Rajesh Gupta: There is no EBITDA milestone. It is to be paid in three years.

Vikas Singh: Okay. So, basically there is no milestone for these things.

Rajesh Gupta: Yes.

Moderator: Thank you. The next question comes from the line of Ashutosh Somani from JM Financial. Please go ahead.

Ashutosh Somani: Thanks for taking my question. My question relates to the Karnataka mining business and just wanted to hear your thoughts on if Maharashtra can go the Karnataka way given how strategically important we have become as a resource miner in the country and with the increased

EC more so and the fact that we are the lowest cost producer in the country. So, how do you see this developing situation?

Rajesh Gupta: Number one, the Karnataka mining tax doesn't affect LMEL directly and as such we have no direct comments. Number two, other states have not levied other such taxes and such extent of taxes like Karnataka has including Chhattisgarh, Odisha, etcetera. They are still taking a call on what to do, what not to do. So, maybe Karnataka is the outlier and not the norm or would not become the norm.

Number three, does Maharashtra can they levy such taxes? As per the Supreme Court order, yes, they can levy such taxes. Currently, as we know, there are other movements happening in the Maharashtra Mantralaya and there is no such movement to levy any such taxes in Maharashtra at the moment.

Moderator: Thank you. The next question comes from the line of Prateek Singh from DAM Capital. Please go ahead.

Prateek Singh: Hi, sir, and thanks for this opportunity. First of all, congrats for this development to participate in the growing mining story of India. Just had the – most of the questions are answered but just had a query on top of Ashutosh's questions. I understand that other states are still not following it, but this is a major development where the Centre can put their foot down. By your experience, how are contracts in the MDO business structured?

Are they like for 3-4 years or long-term or is the pricing decided on an yearly basis? The basis for my question is in case, let's say, some miners get a duty hike, and their margins are kind of affected on the lower side. Have you seen a history where they come and say that, you know, we'll be paying you a bit lower on a per ton basis because our margins are getting squeezed? Or that's not something which usually happens?

Rajesh Gupta: Firstly, let me congratulate DAM on their IPO and best of luck for the same. Regarding this, the nature of the contracts, it's a mixed bag. For example, with NTPC, it's a long-term contract of 28 years, 27 years, which is still balance With Lloyds Metals, it's till the life of the mine which is till 2057. APMDC is a 5-year contract. The other mines are for 5 years or some of them are 10 years, some of them are till the life of the mine.

So, it's a very mixed bag. Most of the times, once you get an MDO, you can take it that the contract is there for the life of the mine because it's difficult for both the contractor and the mine owner to change. When we say MDO, it's not only mining contract but also the outside boundaries including the CSR, the transport, the permissions required, etcetera.

So, these are definitely long-term contracts. One of the reasons that we like Thriveni Investment is that it gives us foreseeable revenue of INR70,000 crores on the existing contracts that are there. The second part of your question is what happens if somebody wants to back out? Most commercial contracts have such clauses.

And always at the end of the day, any contractor, any client relationship was on a win-win basis, and we had to take the hit if it is required to be taken. Thriveni has taken such hits in much larger ways in Odisha when the Shah Commission had come in or when COVID had happened and that's part of the business of any such business.

In Lloyd's Group also we have businesses like Lloyd's Engineering where these are longer-term contracts or where we deal with such ifs and buts on a continuous basis.

Prateek Singh: And on the other side, does it also open up opportunities for us because some PSUs or some subsidiaries of Coal India who are not very efficient in case their costs go up because of royalty, that opens opportunities for us because we would be more efficient on a Per ton basis to mine so it opens up new areas for us also in terms of business.

Rajesh Gupta: All the projections that we are given are basis current contracts that are existing. Like I mentioned in my opening remarks, we believe that the experience of Thriveni along with the strength of the balance sheet will open up many more avenues for Thriveni. And therefore, ultimately for Lloyd Metal in the consolidated balance sheet including international contracts around the world.

Whether it is coal, whether it is iron ore, whether it is baryte, whether it is chromite, copper, gold, anything. We are in that business now and definitely we will be able to compete we hope with the rest of the world in a very competitive way. In our detailed slide on the website, you will see that one of the very important parts of Thriveni's business is the rebuilding of equipment.

Over the last 10 years, they have saved around INR3,000 crores in equipment cost. In some ways, the mining business is like a revenue generator based on it is a lease business also. If you save around 70%, 80% of the cost of the equipment, that’s a very big revenue over the life of the contract.

With all those features in the company and we hope that the partnership will become not only Thriveni stronger but even Lloyds stronger.

Hemankur: Just to add, on the contract, Thriveni has lost very few contracts in the past. Most of the contracts have run till the mine owner has been running. For example, Indrani Patnaik, D.R. Patnaik, they in fact are the 3.08% shareholders that we talked about. So, few mines are owned by them. And similarly, other large miners also, whosoever has been partnering with Thriveni, they have run till those miners continue to hold the contracts.

So, that's one of the key uniqueness of the business that they have generally not lost contracts, very few of them. That's one. And second is that they have not participated in contracts which are too competitive just for the purpose of order book. So, as I think Rajesh mentioned in his opening remarks that profit is sanity. And that's what Thriveni has been following, that's one of the key things which is aligning the business of Lloyd's and Thriveni's MDO business.

So, I think if the contracts are very competitive because there are a lot of MDO contracts, as you mentioned regarding Coal India and other companies, but if it requires a very large amount of investment with long paybacks, that's not something Thriveni has been doing. They have been doing and taking opportunistic contracts wherein they can add value and wherein other people are not able to probably compete with their technical capability and skill.

Rajesh Gupta: Also to add one more point, Thriveni at one point was mining around 65% of the iron ore in Odisha. When years back in 2002 when the China demand picked up, the mine capacity was around 35-40 million tons and today Odisha is mining around 120 million tons, and I think Mr. Prabhakaran and Thriveni have been a very large instrument in picking up the mining capacity of that steel and therefore of the country.

Prateek Singh: Thanks sir and all the best and I hope that you are already very big, and I hope that you become bigger enabler of mining in India.

Moderator: The next question comes from the line of Mr. Siddharth Gadekar from Equirus Securities.

Siddharth Gadekar: Sir, we have also mentioned in the presentation that these forecasts do not include any future projects. Can you give us some sense on the future projects that we would be targeting in terms of mining in India and overseas? Secondly, when we had visited the mine, the kind of infrastructure that we had created, we could also leverage that for mining in Maharashtra as well. So, any sense on how do we see this business scaling up beyond the existing projects?

Rajesh Gupta: Sir, we would not like to give any forward-looking statements like you know. We would definitely be working very strongly in Maharashtra. Odisha has become more and more competitive with the advent of the 120% regime in Odisha. So, it's a very competitive market. We are mining there in OMC. I forgot to mention that in our earlier statements. We are mining in the Guali mine in OMC company.

So, we will be bidding, again I repeat, for mineral assets in India and abroad as a mining contractor based on cost effectiveness, profitability, geographical sense. For example, the Jharkhand mine that we are doing with APMDC is very close to Pakri Barwadih. Sorry, I am a little bad in the pronunciation of that company. So, it is very close to that. And that's one big advantage that we have there.

So, all those kind of things we will take not purely for revenue but for the bottom line more.

Siddharth Gadekar: Okay, so got it. Thank you so much.

Moderator: The next question comes from the line of Aman from Seven Rivers. Please go ahead.

Aman: Hi, sir. So, if you could help me understand, is there any difference in per ton cost for BHQ mining versus the ore that we are mining right now? Are we saying that we will save 50% of the respective amount?

Rajesh Gupta: No, the cost comes down because of the volumes getting added more than the grade of the ore. For example, the overburden in the coal mining is being built; including the overburden cost is being built to cost to the miner. So here if it is coming down - it is coming down because of the sheer quantity going up and therefore the fixed cost going down per ton basis.

Aman: And my second question is, are we looking at any change in active management of the mining operations or will it be status quo in terms of management at let's say mid…

Rajesh Gupta: Sorry I couldn't understand the question?

Management: No, the MDO management is very well run and there would be no change in that at all.

Aman: Okay that's all. Thank you sir.

Moderator: The next question comes from Namit Arora from Ingrowth Capital. Please go ahead.

Namit Arora: Yes, thank you for the opportunity. Congratulations to the teams on the deal and all the best for the integration. So, my question was in terms of investments to further enhance value from your acquired assets, both in terms of capital and talent. Any thoughts on that which could help you take it to the next level post your acquisition? Thank you.

Management: Sorry, I couldn't understand the question, my friend.

Namit Arora: The question is that post to acquisition, what are the kind of investments that you may need to do, both in terms of capital and talent, to further realize the potential of this acquisition?

Management: In the new Thriveni company.

Namit Arora: Yes sir.

Rajesh Gupta: I think the capital allotment of that business would grow as it acquires new businesses. We will be looking at growth in capital as the opportunities come up over the next two, three, four years. In terms of talent, with the confidence of the company in Lloyd Metal like you know many of the - not many - all the white-collar workers have ESOP so hope to introduce that process in Thriveni MDO also.

So that will get more talent to us as well. These kinds of things is an ongoing process and Thriveni is a INR8,000, INR9,000 crores top line company larger than Lloyd Metal at the moment or nearly as large as Lloyd Metal at the moment. So, they are very well in the ballgame to get the best talent in the country. One thing we have learnt from them as MDO, and client relationship is how to manage the people. I hope they can teach me more going forward on that.

Namit Arora: Got it. Thank you for your detailed thoughts which are most helpful. All the best to the entire team. Thank you.

Moderator: The next question comes from the line of Nikunj Lahoti an Investor. Please go ahead.

Nikunj Lahoti: Sir, what is the current freight cost for if you are mining 10 million tons and what would be freight cost in future if you are mining 25 million tons and after starting off with both the slurry pipelines?

Rajesh Gupta: Nikunji, thank you very much. With our freight costs are to various places around INR4.5 to INR5 per kilometer. So, we take some of the metal up to the stock yard, we take up some of the metal up to the siding. We transport some of the materials to the end consumer directly by truck. We have one of the few companies in India which - I would say few companies in the world which take up mineral right up to the customer's doorstep in many, many ways. In fact, right now we have done a contract for fitting the material up to Khandala from the mine.

So, to give a very direct answer, freight cost per ton is not a straightforward answer, unfortunately. The costs going forward for the 10 million tons that is balanced, not going by pipeline would remain in the same mix. Most of this would be to outside customers, but would remain in the same mix of INR4.50-INR5. The pipeline transport cost is in the range of INR150, INR100 per ton.

Nikunj Lahoti: Thank you, sir.

Rajesh Gupta: Does that address your concern?

Nikunj Lahoti: Yes, thank you sir.

Moderator: The next question comes from the line of Parthiv Shah from TSBPL. Please go ahead.

Parthiv Shah: Thank you for taking my question Rajesh. Sir, just wanted to understand, you just mentioned that Thriveni Earthmovers Private Limited as an MDO there was a top line of INR8,000 to INR9,000 crores. But sir, why is it not getting reflected in the PPT projections? For FY'25, the revenue shows INR5,500 and then subsequently in FY'26 they showed INR8,000 and then it stays kind of flattish between 27 to 29.

Rajesh Gupta: Yes, I meant to say INR8,000 going forward with the 55 million ton of evacuation that they'll do in Surjagarh, INR5,000 or INR5,500 crores is the current top line.

Parthiv Shah: Okay and sir in Surjagarh, I think there were other players who had want some composite mining licenses so will like now you being an MDO as well will you be aggressively bidding for those projects also and by when can we expect that revenue picking, how many years it might take?

Rajesh Gupta: So those contracts for those mines are all on including exploration, etc. Those mines are now, we understand some of them have started some exploration activities. As and when people approach us, we'll be glad to interact with and work with them closely to get the mineral out and make Surjagarh and Maharashtra into the Prime Minister vision of the next Jamshedpur.

Parthiv Shah: So, you have not projected all that till your FY'25?

Rajesh Gupta: All the projections that have happened in that slide number seven are of existing contracts that are there, including the 55 million tons of Surjagarh mining of our own mine.

Parthiv Shah: And sir by when they are expected to get the EC of 55 million ton mining?

Rajesh Gupta: That is a very nice question. We state has been under because of the elections that cycle has slowed down a little bit than what we anticipated. We hope to have the public hearing of that mine in the next month and then going forward it will take 45 days hopefully to get the MDO done, again the EC done.

Rajesh Gupta: The process is fully on except for a pause due to the election where such issues are not legally allowed to take place.

Parthiv Shah: Sir, I pardon my ignorance, but I was under the impression that we being a five-star rated mine, we don't need a public hearing.

Rajesh Gupta: The public hearing is not required if we increase by 20%. Here we are increasing by 250%.

Parthiv Shah: Okay, thank you. All the best.

Moderator: The next question comes from the line of Aman from Seven Rivers. Please go ahead.

Aman: Hi sir. So, can you tell us about the promoters pledge by Thriveni? Will that… anything outside of that will be released soon as an outcome of this.

Rajesh Gupta: Again, that would have to be discussed with Thriveni promoters at that point of time. But we understand that part of these funds would be able to dilute those pledges and once the RPS goes and that happens. So, over a period that pledges would be removed we hope.

Moderator: As there are no further questions, I would now hand the conference over to the management for their closing comments.

Management: Gentleman, thank you very much for all the interesting questions. We are in a very different growth phase right now compared to what we started around three years back. I call myself a 50-year-old start-up and I think some of these moves that we have done in the last few weeks are a testament to that, and we hope to live up to all the targets that we have set to ourselves. Thank you.

Moderator: Thank you. On behalf of Lloyds Metals & Energy Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.