



LLOYDS METALS AND ENERGY LIMITED

Regd. Office and Works : Plot No. A1 & A2, MIDC Industrial Area, Ghugus 442 505, District Chandrapur (MS), Tel : 07172-285398, 07172-285103
Corporate Office : A2, 2nd Floor Madhu Estate, Pandurang Budhkar Marg, Lower Parel, Mumbai-400013, Tel : +91-22-62918111
www.lloyds.in | CIN: L40300MH1977PLC019594 | investor@lloyds.in

Date: 23rd April, 2022

To,
Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

To,
Head- Listing & Compliance
Metropolitan Stock Exchange of India Limited (“MSEI”)
205 (A), 24 floor, Piramal Agastya Corporate Park,
Kamani Junction, LBS Road,
Kurla (West), Mumbai-400070

Sub: Disclosure in terms of Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Ref: BSE Scrip Code: 512455
BSE and MSEI Scrip ID: LLOYDSME

Dear Sir / Madam,

With reference to the above captioned subject, and pursuant to the Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we would hereby like to inform the Stock Exchange that an Arbitration Award was passed by the Sole Arbitrator Mr. Justice A.R. Joshi (Retd.) Former Judge, Bombay High Court, under the Arbitration and Conciliation Act, 1996 on 22nd April, 2022 in the matter of arbitration between Sunflag Iron & Steel Company Limited (“**Sunflag**”) and Lloyds Metals and Energy Limited (“**Company**”).

The matter in a nutshell is that the Company and Sunflag from the year 2004 have been entering into various understandings and contracts to have joint and equal control on the iron ore mine of the Company and sharing of the iron ore extracted in the ratio of 60% and 40% respectively. However, for reasons not attributable to both the parties the said arrangements could not take place and the mining operations could not be commenced. During this period Sunflag had advanced funds to the Company towards the operation and commencement of the mine. In the year 2016, the Company started mining operations with minimal production; however, the Company could not share the iron ore extracted with Sunflag for various reasons.



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The Company and Sunflag were engaged in discussions to resolve the issue amicably but the same could not be resolved. Sunflag then invoked the arbitration clause as provided in documents and initiated arbitration proceedings. The claim(s) made by Sunflag were as follows:

- a) Repayment of the amount paid by Sunflag along with the interest @4% + SBI PLR compounded annually amounting to Rs. 312 crores;
- b) A demand of Rs. 1433 crores towards Sunflag's right of 40% mineral extracted at cost over the life of entire mining lease period i.e., 40% of 75 million tonnes, i.e., 30 million tonnes with a margin of Rs. 2000 per tonne amounting to Rs. 6000 crores and when discounted to the present value the same worked out to Rs. 1433 crores; and
- c) 32% of the equity share of the Company considering the net worth attributable to the mine being 80% of net worth of the Company, and Sunflag having the right of 40% of the mine.

All the above claims of Sunflag were refuted by the Company and various counter claims were also made.

After hearing the arguments of both the parties, the learned Arbitrator has passed an award on 22nd April, 2022. The gist of the award is as follows:

The Company is liable to pay Rs. 900 crores to Sunflag (i.e., Rs. 312 crores on account of refund of advance along with accrued interest and the balance Rs. 588 crores as full settlement of all other claims).

Given the amount being large, the Company proposed to settle the said liability, subject to approval of shareholders and in accordance with applicable laws, by issuing six crores (6,00,00,000) Zero interest Optionally Fully Convertible Debentures ("**OFCD**") which will settle entire liability on the basis of proposed issue price of Rs. 150/- (Rupees One Hundred and Fifty only).

The OFCD would be converted not before 9 months but, not later than 18 months at a conversion ratio of 1:1.

This proposal has also been agreed by Sunflag.



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The Company shall commence the process of the proposed issuance of OFCDs and obtain necessary approvals and compliances with respect to the same.

Kindly take the same in your records and inform the Stakeholders accordingly.

Thanking You

Yours Faithfully

For Lloyds Metals and Energy Limited

Trushali Shah

Company Secretary

Membership No.: A61489