

Initiating Coverage

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Institutional Equities

# Lloyds Metals and Energy Ltd. (LLOYDSME)



**A Multi-Year Earnings Compounding Story with Deep  
Value Unlocking Potential**

March 27, 2026

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# Lloyds Metals and Energy Ltd. (LLOYDSME)

March 27, 2026 | CMP: INR 1,307 | Target Price: INR 1,730

Expected Share Price Return: 32.4% | Dividend Yield: 0.2% | Expected Total Return: 32.6%

Sector View: Positive

**BUY**

## Company Information

LLOYDSME is a leading iron ore and steel producer, anchored by its Surjagarh mine. Commercial mining scaled up in 2021 after Thriveni Earthmovers was appointed as Mine Developer and Operator and became a co-promoter with an 17.8% stake, strengthening execution and growth. The company is expanding iron ore capacity to 26 MT, pellet capacity to 12 MT, DRI to 0.7 MT, and adding a 1.2 MT wire-rod plant, with plans for a 3 MT HRC facility, backed by captive and renewable power integration.

BB Code	LLOYDSME
ISIN	INE281B01032
Face Value (INR)	1.0
52 Week High (INR)	1,613.4
52 Week Low (INR)	1,005.1
Mkt Cap (INR Bn)	709.2
Shares o/s (Mn)	562.8
Free Float	23.7%

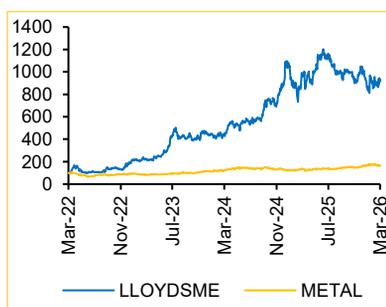
## Shareholding Pattern (%)

	Mar-26	Dec-25	Sep-25
Promoters	61.65	63.73	63.05
FIs	2.23	1.89	2.30
DIs	1.74	1.85	2.10
Public	34.38	32.53	32.55

## Relative Performance (%)

YTD	3 Year	2 Year	1 Year
LLOYDSME	315.5	112.3	(6.0)
BSE Metal	101.6	35.4	20.3

## Rebased Price Performance



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## Links

[Bull Bear Case](#)[Management Meet](#)[Investors Concerns Answered](#)

**A Revenue Rocket Fuelled by Iron Ore Dominance and a Steel Value Chain in Full Build-out — From ~INR 67.2 Bn in FY25 to ~INR 223.7 Bn in FY28E:** LLOYDSME is transitioning from a merchant miner to an integrated steel player, with revenue expected to grow from ~INR 67.2 Bn (FY25) to ~INR 223.7 Bn (FY28E) on a standalone basis driven by ramp-up in Surjagarh mining capacity to 55 MT and a 2.6x increase in production.

At the same time, LLOYDSME is scaling up its value-added portfolio — **pellet capacity expanding from 4 to 12 MT** and a **1.2 MT wire rod plant** coming online in FY27E. This integration across **Iron Ore → Pellets → DRI → Wire Rod** enables **better margin capture** and **reduces dependence on raw material price cycles**.

**Margin on a Tear — Structural EBITDA Expansion to ~34.8% by FY28E:** LLOYDSME is driving structural cost efficiency through integration (captive sourcing, logistics, captive power, value-addition), supported by a zero-premium ore base (MMDR 2015), **slurry pipelines (85 km operational; 195 km by FY27E)** and **captive power (from 34 MW to 504 MW in phased manner)**.

The mix shift the EBITDA (iron ore ~INR 2,000/t → pellets ~INR 4,000–4,250/t → wire rods ~INR 11,000–13,500/t) delivers strong value uplift (2x/6x), expanding EBITDA margin (29.1% FY25 → ~34.8% FY28E).

**Not a Cyclical Bet — Thriveni is LLOYDSME Annuity Engine:** Thriveni adds a **structural third lever** to LLOYDSME's **margin framework**, bringing **asset-backed, contract-driven revenue visibility** in a cyclical mining landscape. With an **INR 100+ Bn asset base by FY28E (1,650+ equipment; >250 Mn BCM capacity; ~75 MT iron ore; ~1.7x volume ramp to 123.9 MT)**, the model is **utilisation-led**, where revenue scales with **throughput, not commodity prices**.

As **asset turns improve (~0.7x to ~1.0x)**, revenue productivity rises ~40–45% without incremental capex, supporting ~INR 97.3 Bn revenue (FY26–28E) with **strong visibility via long-tenure MDO contracts**. While **labour-intensive**, costs are largely **throughput-linked** and partly **pass-through**, enabling **stable-to-improving margins** through operating leverage.

**Copper Cathode JV — Hidden Optionality, Not in the Numbers:** We **assign no value** to the **Copper Cathode JV** in our SOTP, given early-stage execution risks. However, with **Congo-linked resource exposure** and **active promoter-led on-ground oversight**, the project provides **long-term optionality**, with potential to be **value-accretive upon successful commissioning and scale-up**.

**Valuation:** Our SOTP-based valuation assigns a **12x EV/EBITDA multiple** to the core standalone business, reflecting peer-leading margin. We further value the Thriveni MDO subsidiary at **6x**, recognising its distinct cash-flow profile and strategic optionality. We expect a steady improvement in **earnings quality and cash-flow visibility**. We initiate with a **BUY** rating and a 12-month target price of **INR 1,730**, offering a compelling **32.4% upside**.

## Key Risks:

Possible Project Execution Delay, Probable Raw Material Volatility, Elevated Contingent Liability, Pledged Shares and Regulatory & Mining Risks.

## Key Financials - IND AS

INR Mn	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Revenue	65,246	67,214	1,35,215	1,91,033	2,23,705	2,74,181
YoY (%)	92.3	3.0	101.2	41.3	17.1	22.6
EBITDA	17,313	19,532	44,743	64,465	77,934	96,686
YoY (%)	113.7	12.8	129.1	44.1	20.9	24.1
EBITDAM %	26.5	29.1	33.1	33.7	34.8	35.3
RPAT	12,431	14,509	31,626	43,196	50,754	64,306
EPS (INR)	24.6	27.7	56.3	76.9	90.3	114.4
ROE %	57.3	31.5	35.8	32.2	28.2	27.3
ROCE %	53.7	27.9	26.9	22.0	19.9	20.8
EV/EBITDA (x)	38.0	35.0	16.7	12.7	10.5	8.3

Source: LLOYDSME, Choice Institutional Equities

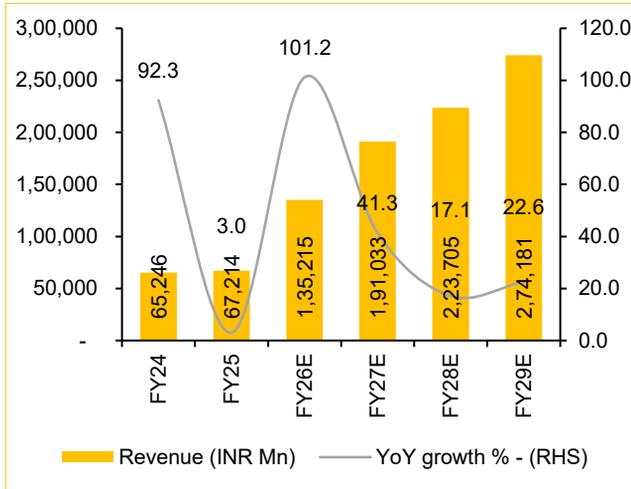
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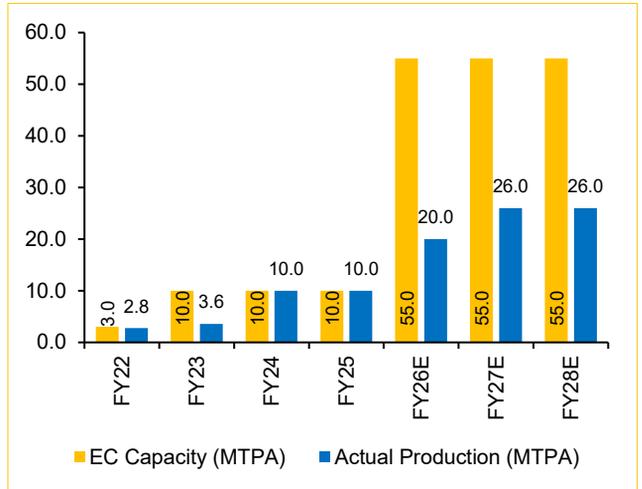
**1.1 From Data to Alpha — The Thesis Unfolds**

**Revenue Trajectory – Steep Ascent Powered by Volume & Mix**



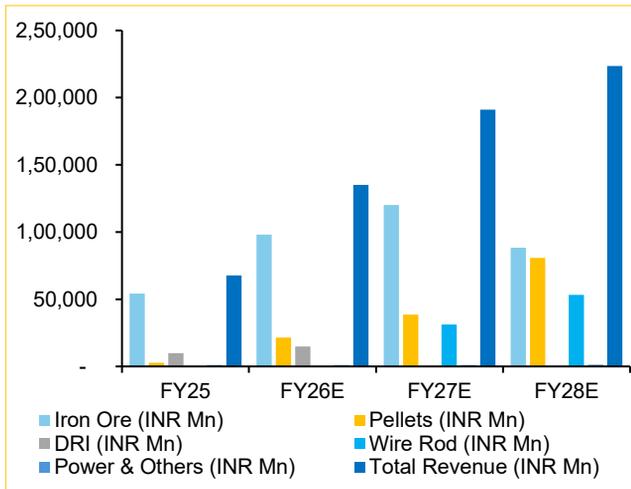
Source: LLOYDSME, Choice Institutional Equities

**Surjagarh Mine – 5.5x EC Expansion to 55 MT – A Step-Change in Volume Growth**



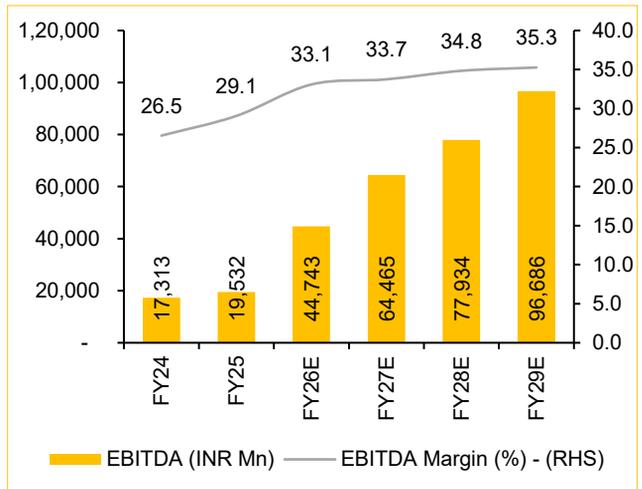
Source: LLOYDSME, Choice Institutional Equities

**Segmental Revenue Mix Shifts Gears: Core Segments Accelerate While Emerging Verticals Scale Up**



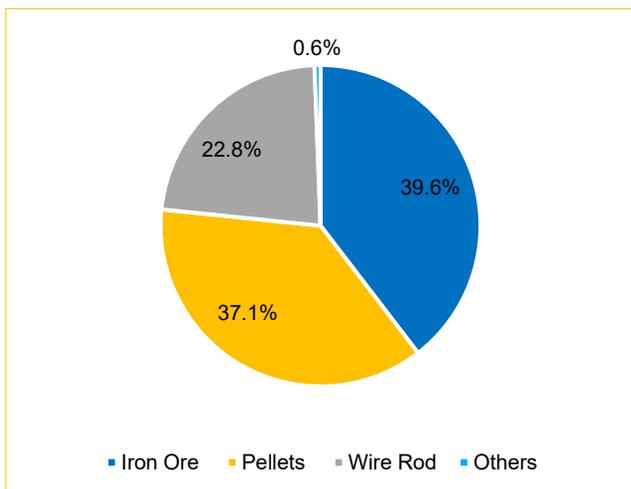
Source: LLOYDSME, Choice Institutional Equities

**Margin Expansion Flywheel: Operating Leverage Meets Value-Added Shift**



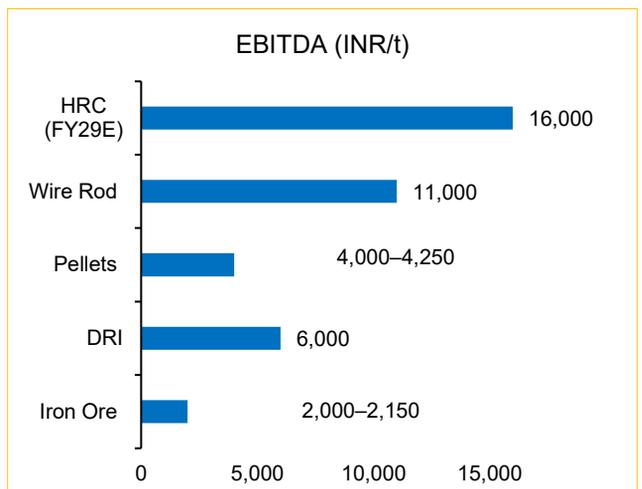
Source: LLOYDSME, Choice Institutional Equities

**FY28E Revenue Mix – Diversifying Towards Higher-value Products**



Source: LLOYDSME, Choice Institutional Equities

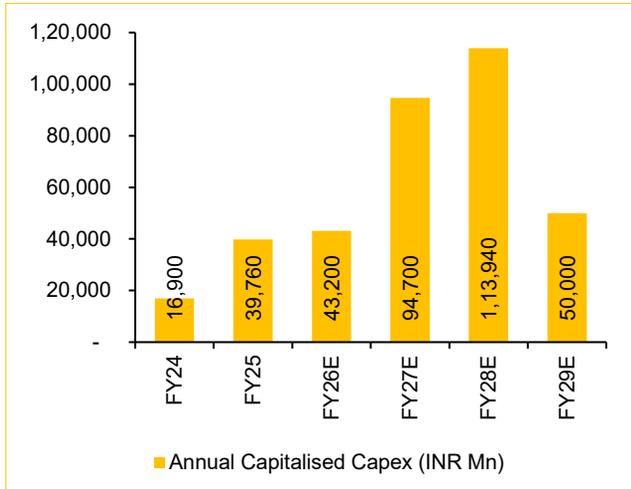
**Margin Ladder –Higher-value Products Drive Blended EBITDA/t Up**



Source: LLOYDSME, Choice Institutional Equities

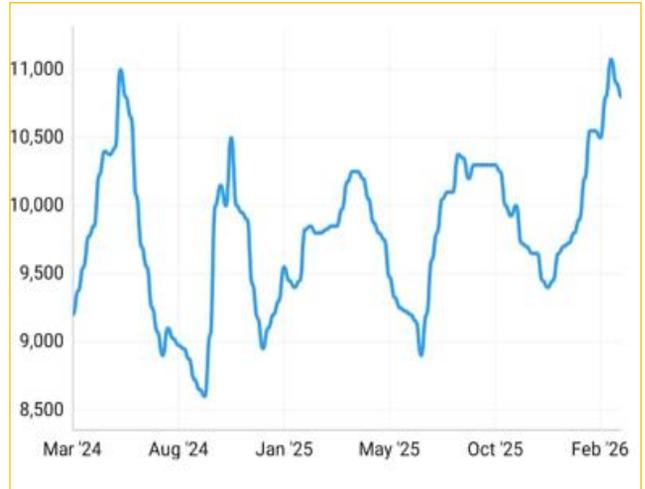
**1.1 From Data to Alpha — The Thesis Unfolds**

**Capex Roadmap – INR 300+ Bn Invested to Build a Steel Behemoth**



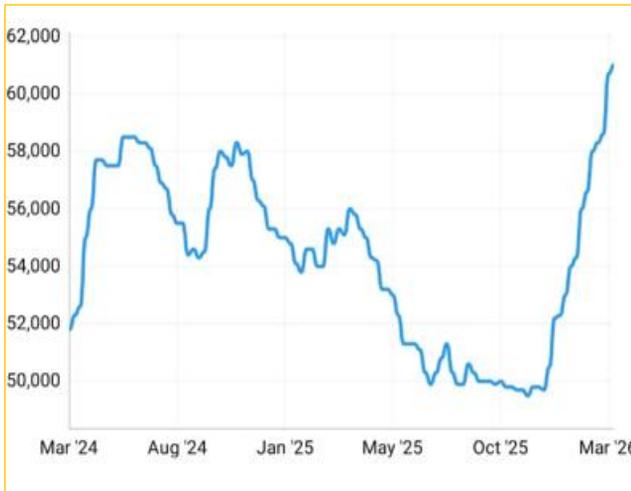
Source: LLOYDSME, Choice Institutional Equities

**From Trough to Take-Off: Pellet Prices (INR)**



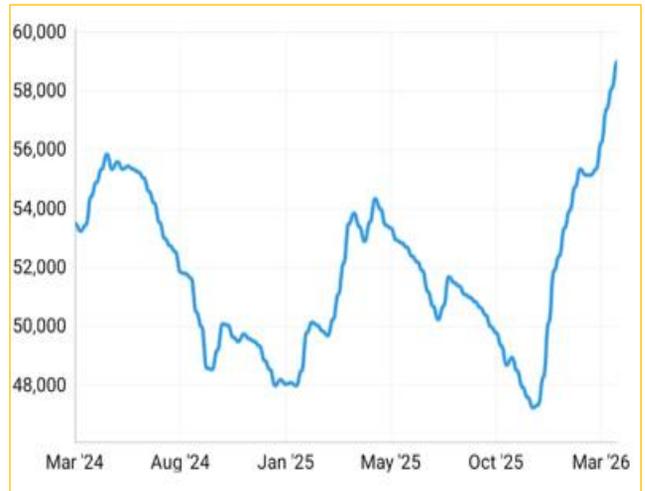
Source: BigMint, Choice Institutional Equities

**Sharp Rebound After Bottoming Out: Wire Rod Prices (INR)**



Source: BigMint, Choice Institutional Equities

**From Slump to Surge: HRC Prices Hit Recent Highs (INR)**



Source: BigMint, Choice Institutional Equities

**Steel Prices Reignite: Composite Index Climbs on Broad-Based Strength**



Source: BigMint, Choice Institutional Equities

## 2.1 A Revenue Rocket Fuelled by Iron Ore Dominance and a Steel Value Chain in Full Build-Out — From ~INR 67.2 Bn in FY25 to ~INR 223.7 Bn in FY28E

LLOYDSME is transitioning from a merchant miner to an integrated steel player, with revenue expected to grow from ~INR 67.2 Bn (FY25) to ~INR 223.7 Bn (FY28E) on a standalone basis, driven by a ramp-up in Surjagarh mining capacity to 55 MT and a 2.6x increase in production.

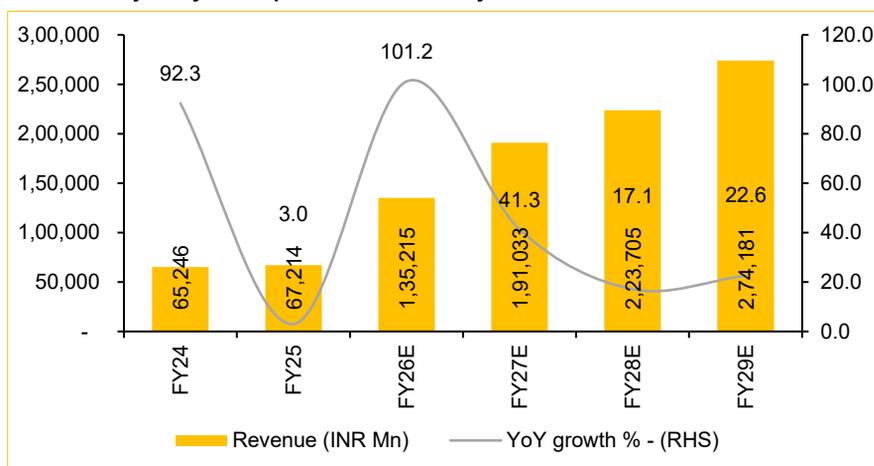
At the same time, LLOYDSME is scaling its value-added portfolio — pellet capacity expanding from 4 to 12 MT and a 1.2 MT wire rod plant coming online in FY27E.

This integration across Iron Ore → Pellets → DRI → Wire Rod enables better margin capture and reduces dependence on raw material price cycles.

From a modest base of INR 67.2 Bn in FY25, LLOYDSME is executing a capacity-led scale-up in India's mining and steel space. At the core lies the Surjagarh iron ore mine (Gadchiroli) — a long-life, Tier-1 asset (~1.6 BT reserves) anchoring its integrated strategy.

LLOYDSME is building a fully integrated mining-to-metal ecosystem through a phased capacity ramp-up, structurally transforming its revenue profile. This three-phase expansion is not just about scale — it is designed to deliver a high-visibility, multi-year revenue compounding engine, driven by resource security, cost leadership and operating leverage.

Revenue Trajectory – Steep Ascent Powered by Volume & Mix



Source: LLOYDSME, Choice Institutional Equities

### 2.1.1 Surjagarh Iron Ore Mine – The Engine Room:

The environmental clearance (EC) for 55 MT at the Surjagarh mine marks the single-most value-accretive milestone in LLOYDSME's evolution — unlocking a ~5.5x scale-up vs. FY25 run-rate (~10 MT) and firmly placing the company on a multi-year high-growth trajectory.

*The EC approval is a structural positive trigger, transitioning LLOYDSME from a capacity-constrained miner to a scale-driven, integrated player — with volume-led earnings compounding and margin resilience firmly in sight*

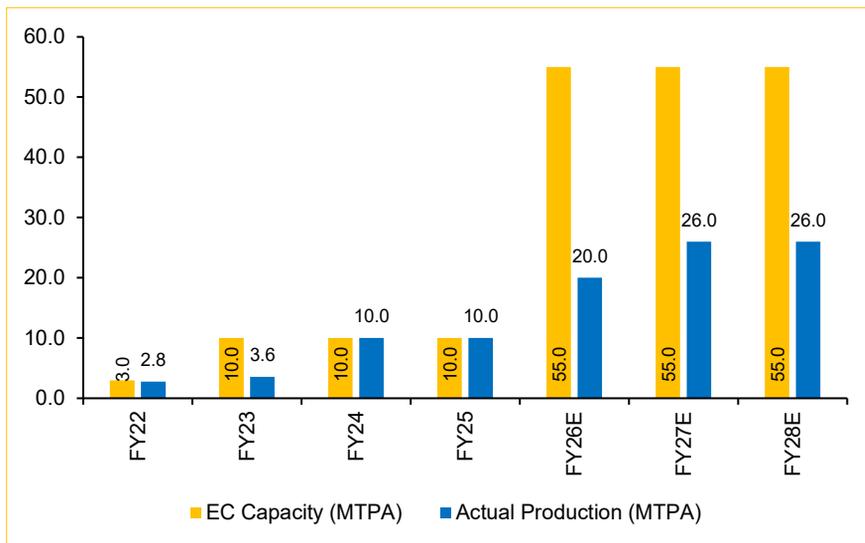
- **Massive Capacity Headroom:** EC of 55 MT (vs. ~10 MT in FY25A), with a calibrated ramp-up to 20 MT in FY26E and ~26 MT by FY27–28E, ensuring strong volume visibility
- **Revenue Scale-up in Motion:** Iron ore external sales expected to rise from INR 54.3 Bn (FY25) to INR 98.1 Bn (FY26E), before moderating to INR 88.3 Bn by FY28E as captive consumption increases with downstream integration
- **Robust Realisation:** Blended realisation of ~INR 5,800/t (FY26E), supported by a favourable product mix, with lumps commanding premium pricing over fines

**2.1 A Revenue Rocket Fuelled by Iron Ore Dominance and a Steel Value Chain in Full Build-Out — From ~INR 67.2 Bn in FY25 to ~INR 223.7 Bn in FY28E**

- **Unmatched Resource Longevity:** With ~1.6 BT of reserves, Surjagarh ranks alongside top-tier deposits in Odisha and Karnataka, translating into a 50+ year mine life at ~30 MT — ensuring long-term raw material security and structural cost advantage

As iron ore gets increasingly routed into pellets (~12 MT by FY28E), reported ore revenues may flatten — but do not be misled. This is a sharp value upgrade: Pellets fetch ~2x realisation (~INR 10,000/t) vs ore, unlocking ~INR 4,000–4,250/t incremental EBITDA. Net-net, it's a classic margin-over-volume play, driving stronger earnings despite muted top-line optics

Surjagarh Mine – 5.5x EC Expansion to 55 MT – A Step-change in Volume Growth



Source: LLOYDSME, Choice Institutional Equities

Pellets act as the critical value bridge in LLOYDSME's integration journey — converting low-value ore into high-margin output, accelerating earnings compounding while structurally lifting return ratios

**2.1.2 Pellet Business: The High-margin Value Bridge Powering Earnings Upside (4 → 12 MT)**

LLOYDSME has rapidly scaled up its pellet business into a high-margin, value-accretive growth driver. The 4 MT Konsari plant (FY25) reached full utilisation within four months, highlighting strong execution and demand visibility.

With two additional 4 MT lines (Konsari in FY27E and Ghugus in FY28E), total pellet capacity is set to triple to 12 MT, significantly reshaping the revenue mix.

Characteristics	Pellet Revenue (INR Mn)	Sales Volume (MT)	Pellet Realisation (INR/t)	EBITDA (INR/t)
FY26E	21,369	2.14	10,000	4,000
FY27E	38,557	3.86	10,000	4,150
FY28E	80,877	8.09	10,000	4,250

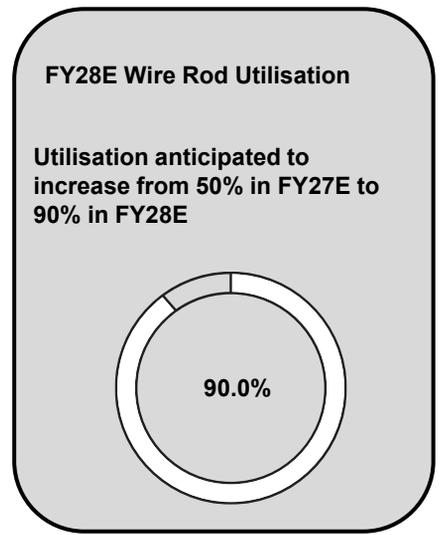
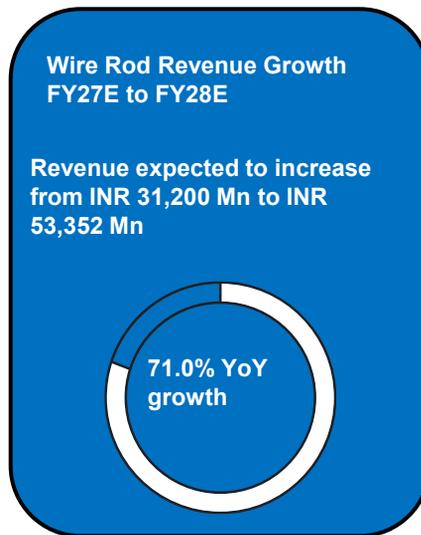
Source: LLOYDSME, Choice Institutional Equities

**2.1 A Revenue Rocket Fuelled by Iron Ore Dominance and a Steel Value Chain in Full Build-Out — From ~INR 67.2 Bn in FY25 to ~INR 223.7 Bn in FY28E**

**2.1.3 Wire Rods: The Steel Pivot Unlocking Maximum Value Capture (1.2 MT | FY27E)**

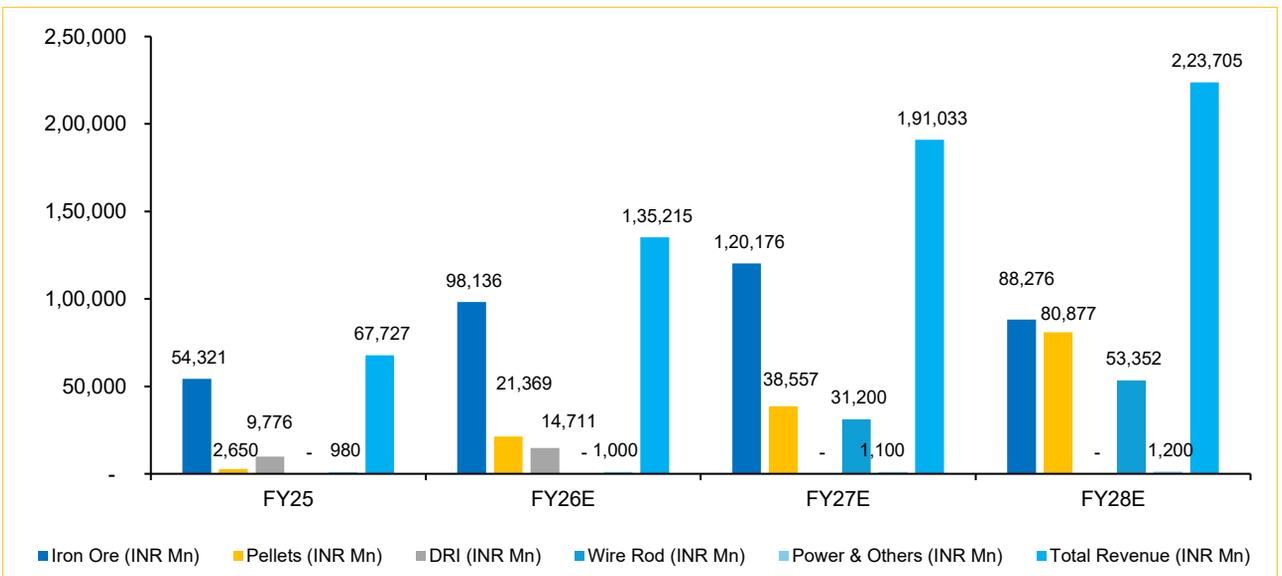
With the upcoming **1.2 MT wire rod mill at Ghugus (Sep 26 commissioning)**, LLOYDSME enters the **downstream steel value chain**, marking its transition from a **mining-led player to an integrated metals platform**. This completes the **ore → DRI → finished steel integration**, enabling **higher value capture across the chain**.

The wire rod segment completes LLOYDSME's integration journey, elevating it into a higher-margin steel player with stronger spreads. Beyond diversification, it structurally strengthens margin resilience and upgrades the business mix.



Source: LLOYDSME, Choice Institutional Equities

**Segmental Revenue Mix Shifts Gears: Core Segments Accelerate while Emerging Verticals Scale Up**



Note: FY25 segmental revenue includes other income

Source: LLOYDSME, Choice Institutional Equities

**2.1 A Revenue Rocket Fuelled by Iron Ore Dominance and a Steel Value Chain in Full Build-Out — From ~INR 67.2 Bn in FY25 to ~INR 223.7 Bn in FY28E**

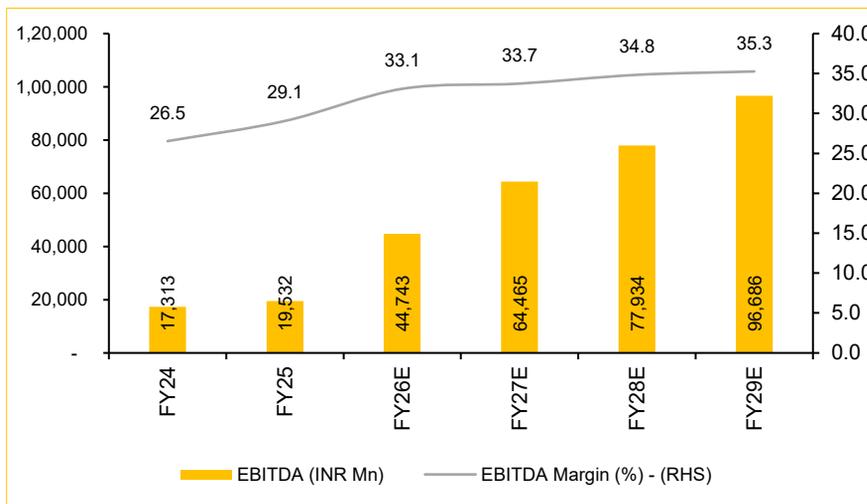
**2.1.4 A Rare Dual Engine: Integrated Model Unlocks Industry-leading Profitability**

LLOYDSME's growth reflects a **“volume + value” expansion** — with **volumes scaling 2–3x** while the mix shifts from **low-value fines to higher-margin pellets and steel**. This drives a rise in blended realisation from **INR 6,881/t (FY25A) to INR 9,173/t (FY28E)** — a **~32% increase**, indicating **better pricing and improved mix**.

Looking ahead, the **3 MT HRC plant at Konsari (FY29E)** represents the next growth leg, adding **~INR 75 Bn to revenues** and taking topline beyond **INR 274.1 Bn** — strengthening LLOYDSME's position as a **scaled-up, integrated steel player**.

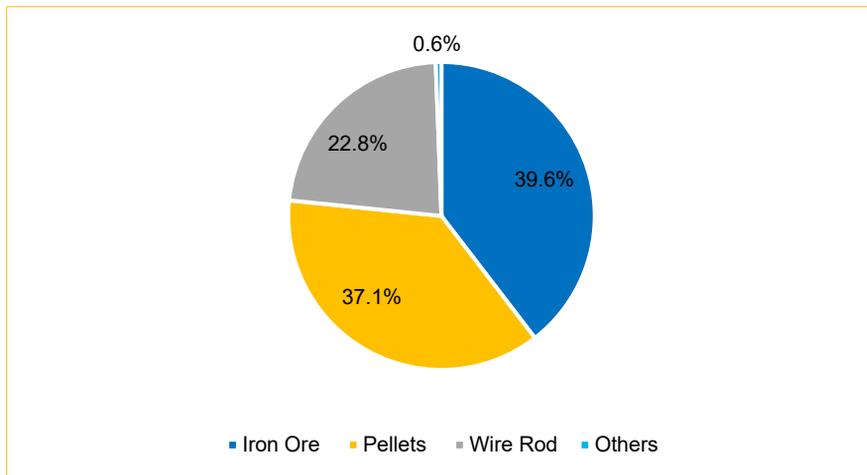
This is not just growth — it is **high-quality, mix-led compounding**, where each incremental tonne drives superior value, underpinning **sustained earnings acceleration**

**Margin Expansion Flywheel: Operating Leverage Meets Value-added Shift**



Source: LLOYDSME, Choice Institutional Equities

**FY28E Revenue Mix – Diversifying Towards Higher-value Products**



Source: LLOYDSME, Choice Institutional Equities

**2.2 Margins on a Tear — Structural EBITDA Expansion to ~34.8% by FY28E**

LLOYDSME is driving structural cost efficiency through integration (captive sourcing, logistics, captive power, value-addition), supported by a zero-premium ore base (MMDR 2015), slurry pipelines (85 km operational; 195 km by FY27E) and captive power (from 34 MW to 504 MW in phased manner).

The mix shift the EBITDA (iron ore ~INR 2,000/t → pellets ~INR 4,000–4,250/t → wire rods ~INR 11,000–13,500/t) delivers strong value uplift (2x/6x), expanding EBITDA margin (29.1% FY25 → ~34.8% FY28E).

*This is a structural profitability transformation, not a cyclical spike — where each layer of integration compounds margin, setting the foundation for sustained, high-quality earnings growth*

LLOYDSME's EBITDA margin expansion from 5.7% (FY20) to 29.1% (FY25) and an estimated ~34.8% by FY28E is largely driven by its integrated business model, rather than cyclical factors. Three key structural levers support this improvement:

- **Captive Iron Ore Advantage:** Access to low-cost captive ore from Surjagarh provides a structural cost benefit and reduces exposure to external price volatility
- **Value-addition via Pelletisation:** Converting iron ore fines into higher-value pellets increases EBITDA/t, supporting overall margin expansion
- **Full Value Chain Integration:** Expansion into wire rods completes the ore → DRI → steel chain, enabling better value capture and stronger spreads

**2.2.1 Captive Iron Ore: The Ultimate Cost Moat Driving Structural Margin**

The foundation of LLOYDSME's profitability edge begins at the mine. Iron ore sourced from Surjagarh carries only a royalty and mine cost of ~INR 1,933/t in FY25, with no exposure to volatile spot market pricing — creating a structural cost delta of INR 3,600–4,000/t versus merchant steel players procuring ore at INR 5,500–6,000/t.

Characteristic	Cost / EBITDA	Advantage
DRI Cost Leadership	INR 25,500/t cost for captive ore vs INR 29,000–31,000/t for non-captive producer	12-15% cost advantage
Pellet EBITDA Economics	INR 4,000–4,250/t EBITDA from own manufacturing vs INR 1,000–1,500/t for producers buying ore externally	Power of backward integration
Wire Rod Cost Curve	INR 32,000–34,000/t cost for integrated producers vs INR 40,000–42,000/t for non-integrated producers	~20% structural cost advantage
Operating Leverage at Scale	Fixed costs dilute further	Self-strengthening cost curve

Source: LLOYDSME, Choice Institutional Equities

**2.2 Margins on a Tear — Structural EBITDA Expansion to ~34.8% by FY28E**

**2.2.2 Margin Multiplier in Motion: Upgrading from Fines to Pellets to Wire Rods**

The product mix upgrade is the single-most potent near-term margin lever. As highlighted below, each step up the value chain meaningfully amplifies EBITDA/t, driving a sharp uplift in profitability.

Product (FY28E)	Realisation/t	EBITDA/t	EBITDA Margin	Value vs. Ore Fines
Iron Ore	INR 5,800	INR 2,049	35.3%	~1.0x (Base)
Pellets	INR 10,000	INR 4,250	42.5%	~2.1x EBITDA/t
DRI (Sponge Iron till FY26)	INR 31,500	INR 6,000	19.0%	~2.9x EBITDA/t
Wire Rod (Steel)	INR 49,400	INR 11,000	22.3%	~6.6x EBITDA/t
HRC Flat (FY29E+)	INR 50,000	INR 16,000	32.0%	~7.8x EBITDA/t

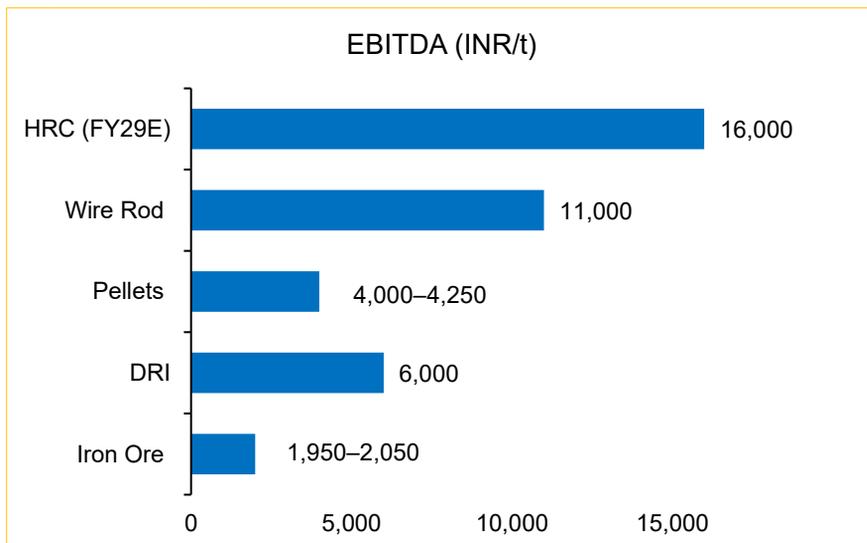
Source: LLOYDSME, Choice Institutional Equities

*This is pure mix-led margin expansion, underpinned by integration and downstream scaling up — yet remains underappreciated by the market, with meaningful headroom for earnings-led upside*

As LLOYDSME moves towards full captive consumption of DRI (from FY27E) and scales up higher-value wire rod sales, its profitability profile is expected to improve meaningfully. Blended EBITDA/t is projected to increase from ~INR 2,000/t (FY25A) to ~INR 3,196/t by FY28E — a ~60% rise.

This improvement is largely driven by a better product mix, rather than commodity price assumption. The shift from merchant ore/DRI to value-added steel supports stronger per-tonne economics across the value chain.

**Margin Ladder – Higher-Value Products Drive Blended EBITDA/t Up**

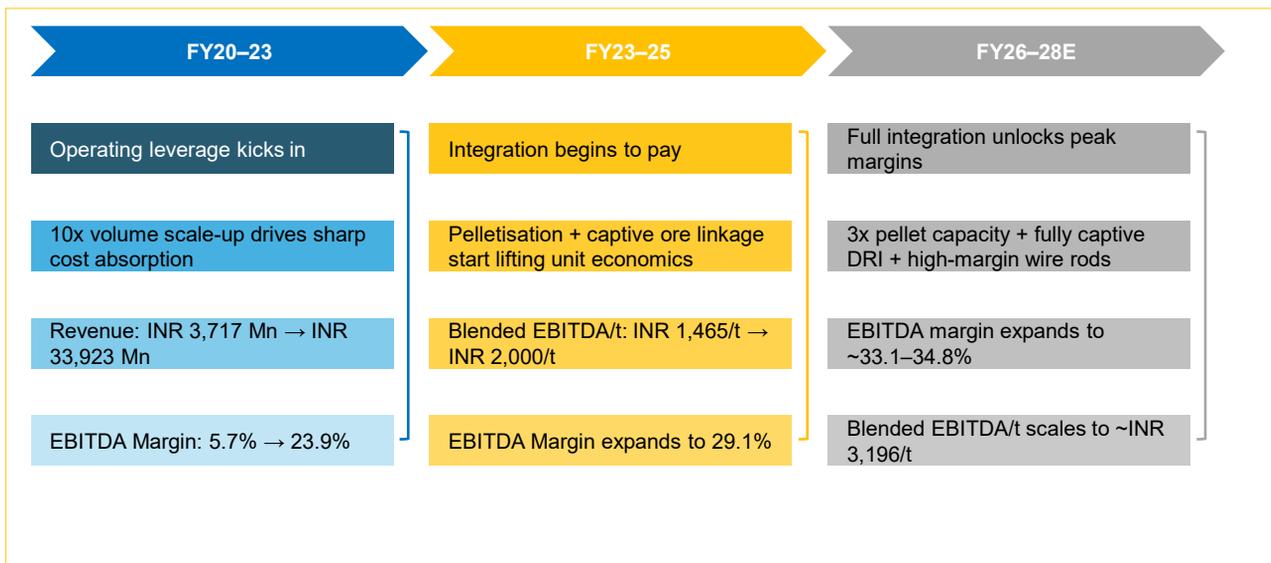


Source: LLOYDSME, Choice Institutional Equities

**2.2 Margins on a Tear — Structural EBITDA Expansion to ~34.8% by FY28E**

**2.2.3 EBITDA Expansion Playbook: Integration, Scale & Mix Driving Structural Upside**

LLOYDSME margin trajectory from **5.7% (FY20)** → **29.1% (FY25A)** → **~34.8% (FY28E)** is a **multi-phase structural build-up**, underpinned by **operating leverage, integration and product mix enrichment**:



Source: LLOYDSME, Choice Institutional Equities

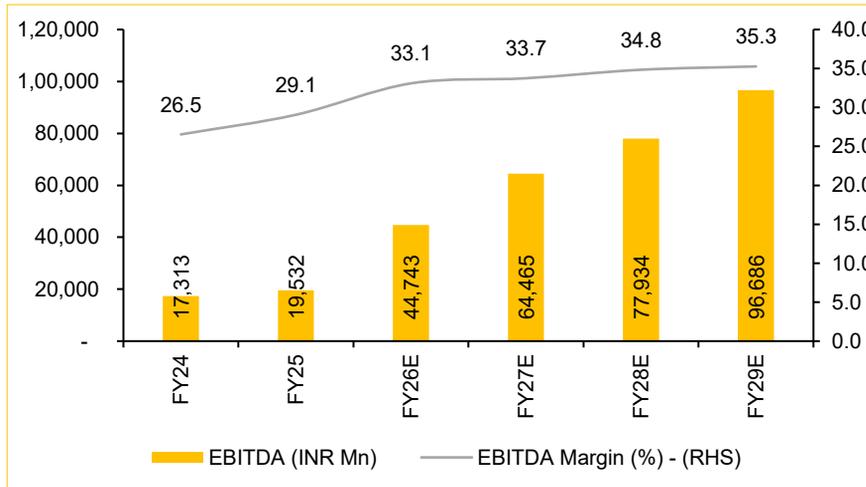
**Near-Term Watchpoints**

**Depreciation Spike from Capex Cycle:**

With ~INR 365+ Bn cumulative capex (FY22-FY29E), depreciation rises from INR 805 Mn (FY25A) to INR 7,409 Mn (FY29E).

Despite accounting headwinds, **cash generation remains intact**. As the capex cycle peaks, **FCF turns strongly positive post-FY27E**, reinforcing that LLOYDSME's story is one of **high-quality, integration-led earnings compounding — not just accounting-driven growth**.

**Margin Expansion Flywheel: Operating Leverage Meets Value-Added Shift**



Source: LLOYDSME, Choice Institutional Equities

**2.3 Not a Cyclical Bet — Thriveni is LLOYDSME Annuity Engine:**

Thriveni introduces a **structural third lever** to LLOYDSME’s margin architecture, adding **asset-backed, contract-driven revenue visibility** within a cyclical mining ecosystem. With an **INR 100+ Bn asset base by FY28E** (1,650+ equipment; >250 Mn BCM capacity; ~75 MT iron ore; ~1.7x volume ramp to 123.9 MT), the model is **utilisation-led**, where revenue scales with throughput, not commodity prices.

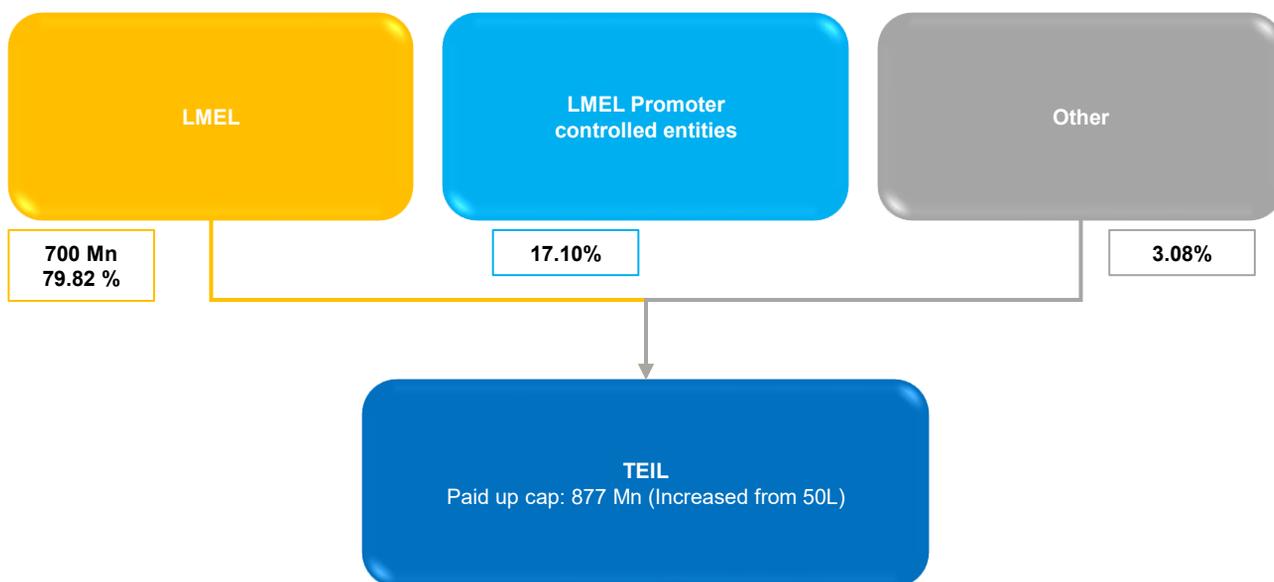
As **asset turns improve from ~0.7x to ~1.0x**, revenue productivity expands ~40–45% **without incremental capex**, underpinning ~INR 97.3 Bn revenue (FY26–28E) with **high visibility via long-tenure MDO contracts**. Despite being **labour-intensive**, costs are largely **throughput-linked and partially pass-through**, enabling **stable-to-improving margins through operating leverage**.

**2.3.1 Thriveni Earthmovers — India’s MDO King: A Long-duration, High-visibility Cash Engine**

LLOYDSME’s acquisition of a 79.82% stake in Thriveni Earthmovers (July 2025) transforms the group from a cyclical iron ore miner into a diversified mining and metals platform. Consolidating Thriveni from 2QFY26 delivers three core structural advantages:

- **Earnings Stability:** Thriveni’s MDO model provides annuity-style, contract-based revenue, which shields consolidated earnings from commodity price volatility
- **Cash Flow Visibility:** Long-tenure contracts and proven execution improve predictability, supporting more disciplined capital allocation
- **Operational Scale:** The integration enhances LMEL’s technical depth and market positioning with regulators and Tier-1 steel clients

**Acquiring TEIL is a value-accretive move aimed at smoothing earnings volatility and securing a high-visibility growth trajectory**



Source: LLOYDSME, Choice Institutional Equities

2.3 Not a Cyclical Bet — Thriveni is LLOYDSME Annuity Engine:

Geographic Footprint — India & Indonesia



Source: LLOYDSME, Choice Institutional Equities

Client Portfolio — EC in MTPA (FY25 vs FY26)

Name of the Mine Owner	Name of the Mines	EC in MTPA (FY 25)	EC in progress/Received (FY26)
<b>Surjagarh Iron Ore Mine</b>			
Lloyds Metal & Energy Limited	Surjagarh Iron Ore Mines	10.0	55.0
<b>Odisha Iron Ore Mine</b>			
M/S D R Patnaik	Murgabeda Iron Ore Mines	2.0	2.0
Smt. Geetharani Mohanty	Raikela Iron Ore Mines	5.0	5.0
M/s Shree Metaliks	Khandbandh Iron Ore Mines	1.8	1.8
M/s M G Mohanty	Patabeda Iron Ore Mines	1.5	1.5
M/s Odisha Mining Corporation Ltd.	Guali Iron Ore Mine	9.0	9.0
M/s Odisha Mining Corporation Ltd.	Mahaparbat Iron Ore Mine	1.0	1.0
M/s. Arcelor Mittal Nippon Steel India Ltd.	Sagasahi Iron Ore Mines	7.2	9.0
M/s Indrani Patnaik	Unchabali Iron Ore Mines	4.0	4.0
DC Jain	Dalpahar Iron and Mn Mine	0.0	3.0
Dr Sarojini Pradhan	Baitarani Iron Ore Mines	0.6	0.6
<b>Government Contracts</b>			
NTPC	Pakri Barwadih Mine	18.0	21.0
NTPC	Pakri Barwadih North West	3.0	3.0
APMDC	Mangampet Barite	3.0	3.0
<b>International Contracts</b>			
PT Arutmin Indonesia (CCOW)	Satui Coal Project	5.0	5.0
<b>Total</b>		<b>71.1</b>	<b>123.9</b>

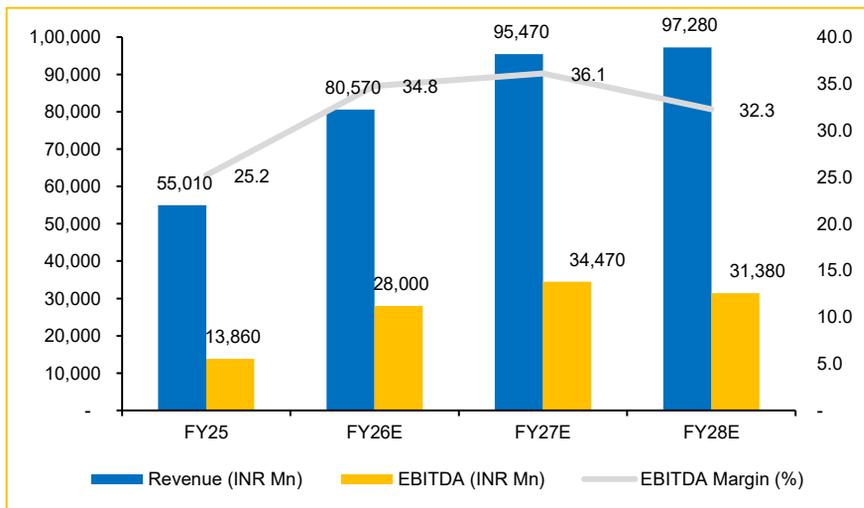
Source: LLOYDSME, Choice Institutional Equities

**2.3 Not a Cyclical Bet — Thriveni is LLOYDSME Annuity Engine:**

Thriveni’s revenue is projected to grow at a ~21% CAGR (FY25–FY28E), with a sharp ~46.5% surge in FY26E, driven by LLOYDSME’s scale-up (10 MT → 26 MT), enabling high-volume monetisation.

EBITDA is expected to peak at ~INR 34.5 Bn in FY27E (driven by DSO volumes) and normalise to ~INR 31.4 Bn in FY28E, as BHQ production (ramps up from Dec’26) replaces DHO, establishing a steady-state earnings profile.

**Thriveni Standalone Financial Profile (FY25–FY28E)**

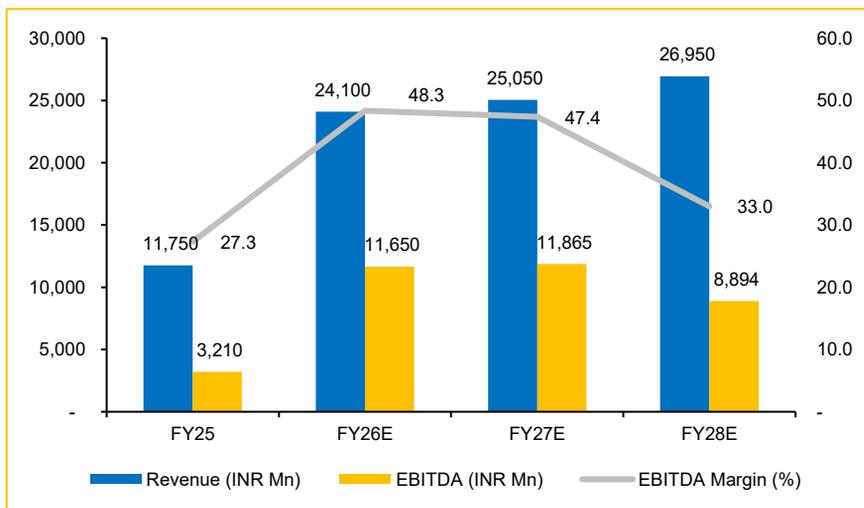


Source: LLOYDSME, Choice Institutional Equities

Revenue contribution from LLOYDSME is projected to grow at a ~32% CAGR (FY25–FY28E), with a sharp ~263% surge in FY26E, reinforcing its position as the primary earnings driver for Thriveni.

EBITDA margins are expected to normalise, driven by a product mix shift from high-grade DSO to lower-grade BHQ volumes.

**Revenue contribution from LLOYDSME (FY25–FY28E)**



Source: LLOYDSME, Choice Institutional Equities

**Why Thriveni Remains Structurally Undervalued**

- The market continues to value LLOYDSME on a standalone basis, overlooking ~INR 209/share (79.82% stake) of embedded value from Thriveni. Misclassified as cyclical, Thriveni’s MDO model delivers annuity-like, contract-backed cash flows with strong visibility.
- Applying a conservative 6x EV/EBITDA to FY28E attributable EBITDA (~INR 31.4 Bn) implies ~INR 261.8/share, highlighting a significant gap between intrinsic value and current pricing.

**Thriveni Valuation Bridge (FY28E)**

- FY28E EBITDA: INR 31.4 Bn
- Target EV/EBITDA: 6x
- Implied Enterprise Value: INR 188.3 Bn
- Less: Net Debt (Thriveni): INR 41.2 Bn
- Equity Value: INR 147.1 Bn
- Less: Minority Interest (20.18%): INR 29.7 Bn
- Attributable Equity to LLOYDSME: INR 117.4 Bn
- Per Share Value Contribution: ~INR 209/share

Source: LLOYDSME, Choice Institutional Equities

## 2.3 Thriveni &amp; Copper Cathode JV — Billion-dollar Subsidiaries Hiding in Plain Sight

*The Copper Cathode JV represents a free call option on a structurally tight commodity — offering meaningful upside potential with limited incremental capital risk, while positioning LLOYDSME to participate in one of the most critical future-facing metals value chains*

## 2.3.2 Copper Cathode JV — The Optionality Play: Tapping India's Structural Copper Deficit

India remains structurally short of copper, importing ~85–90% of its refined demand — a gap set to widen as the adoption of EVs, renewables and electronics accelerates. Against this backdrop, LLOYDSME, in partnership with Nexus, is strategically entering the copper value chain through a 50:50 JV, effectively embedding a high-conviction optionality in its portfolio.

- **JV Structure:** 50:50 partnership between LLOYDSME Global Resources FZCO and Nexus Holdco FZCO, leveraging Thriveni's mining and execution capabilities
- **Product Strategy:** Focus on copper cathode, targeting high-growth, premium end-markets such as EV batteries and renewable energy supply chains
- **Volume Ramp-up:** Scaled up entry with volumes expected at ~10 KT in FY27E, rising to ~12.5 KT in FY28E and ~15 KT by FY29E during the ramp-up phase
- **Realisation:** Strong pricing power with expected realisations of ~INR 1,300/kg (~INR 13,00,000/t)
- **Profitability Profile:** EBITDA margin of 30–32%, reflecting attractive processing-stage economics ahead of full mining integration

## Copper Cathode JV — Financial Projections and Value Attribution Not Accounted in Valuations

Item	FY27E	FY28E	FY29E
Expected Sales Volume	10 KT	12.5 KT	15 KT
Realisation (INR '000/t)	INR 1,300	INR 1,300	INR 1,300
Expected Revenue (INR Mn)	13,000	16,250	19,500
EBITDA (INR Mn)	3,900	5,038	6,240
EBITDA Margin (%)	30.0%	31.0%	32.0%

Source: LLOYDSME, Choice Institutional Equities

## Copper Cathode JV — Hidden Optionality, Not in the Numbers

We assign **no value** to the Copper Cathode JV in our SOTP, due to early-stage execution risks. However, given **Congo-linked resource exposure and dedicated promoter-active on-ground oversight**, the project offers **longer-term optionality**, with potential to be value-accretive upon successful commissioning and scale-up.

## 3.1 Peer Analysis

Operating Metrics:	Company Name (Consol)	Category	FY25						FY25	FY25
			Domestic Installed Capacity (MT)	Domestic Production (MT)	Capacity Utilisation (%)	External Sales (MT)	Blended Realisation per tonne (INR)	Blended EBITDA per tonne (INR)	Value added mix (%)	Outside India Sales %
	JSTL	Fully Integrated Players (Ore-to-Steel)	34.2	27.8	81.3	26.5	63,828	8,592	58.2	13.6
	TATA	Fully Integrated Players (Ore-to-Steel)	26.5	21.7	81.8	31.0	70,589	8,171	66.6	42.2
	JSP	Fully Integrated Players (Ore-to-Steel)	9.6	8.1	84.6	8.0	62,897	11,905	61.0	8.2
	NMDC	Pure-Play Mining & Merchant Player	55.0	44.0	80.1	44.4	5,384	1,836	0.4	2.9
	LLOYDSME*	Emerging & Mid-Sized Integrated Players	10.0	10.0	100.0	9.8	6,881	2,000	3.2	3.9
	SAIL	Fully Integrated Players (Ore-to-Steel)	20.0	19.2	95.9	17.9	57,267	5,974	55.3	0.5
	SHYAMMET	Emerging & Mid-Sized Integrated Players	15.1	10.7	70.5	3.9	38,421	4,736	45.0	10.6
	GODPI	Emerging & Mid-Sized Integrated Players	3.1	2.3	76.7	2.3	23,089	5,134	29.9	3.3

Source: Bloomberg, Choice Institutional Equities

Financial Metrics:	3 years CAGR over FY22-FY25 (%)			3 years CAGR over FY25-FY28E (%)			TTM ROE (%)	TTM ROCE (%)	TTM Total Asset Turnover (x)	H1FY25 D/E (x)	TTM Adj PAT (in Mn)	TTM PAT Margin (%)	ROE (%)		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT							FY26E	FY27E	FY28E
JSTL	4.9	(16.6)	(44.7)	9.7	22.6	70.1	9.6	8.0	0.73	1.19	79,694	4.4	10.6	14.5	15.1
TATA	(3.6)	(26.4)	(56.0)	6.4	22.3	81.9	10.5	6.2	0.80	1.00	98,726	4.4	12.0	16.5	16.9
JSP	(0.7)	(15.1)	(35.0)	15.8	23.8	79.6	6.6	4.7	0.57	0.38	32,506	6.5	7.5	13.0	15.2
NMDC	(2.7)	(13.6)	(11.5)	9.4	9.6	7.9	22.2	16.0	0.66	0.11	68,997	24.9	22.6	21.3	19.7
LLOYDSME*	<b>112.8</b>	<b>137.6</b>	<b>111.1</b>	<b>49.3</b>	<b>58.6</b>	<b>51.8</b>	32.8	26.8	0.93	0.25	23,312	23.4	<b>32.2</b>	<b>28.2</b>	<b>27.3</b>
SAIL	(0.3)	(20.6)	(42.1)	6.33	11.6	28.6	5.2	3.6	0.81	0.58	30,702	2.8	5.6	7.6	7.9
SHYAMMET	13.4	(10.5)	(19.3)	22.4	23.1	24.7	8.4	7.3	1.02	0.09	9,699	5.6	9.6	11.8	12.9
GODPI	(0.2)	(13.9)	(17.9)	24.57	24.6	21.5	14.5	12.6	0.84	0.04	7,419	14.2	14.2	16.5	15.6
<b>Average</b>							<b>13.7</b>	<b>10.7</b>	<b>0.79</b>	<b>0.45</b>		<b>10.8</b>	<b>14.3</b>	<b>16.2</b>	<b>16.3</b>

Source: Bloomberg, Choice Institutional Equities

Valuation Statistics:	CMP (INR)	MCap (in Mn)	H1FY26 EV (in Mn)	TTM EV/Sales (x)	TTM EV/EBITDA (x)	TTM P/E (x)	Fwd EV/Sales (x)			Fwd EV/EBITDA(x)			Fwd P/E (x)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
JSTL	1,156	28,27,556	36,49,296	2.0	13.2	35.5	2.0	1.8	1.6	12.1	9.7	8.7	30.9	19.8	16.4
TATA	197	24,54,886	33,26,462	1.5	10.7	24.9	1.4	1.3	1.3	9.7	7.8	7.2	20.6	13.7	11.9
JSP	1,144	11,66,522	13,11,263	2.6	14.6	35.9	2.5	2.0	1.7	13.5	9.0	7.3	32.6	17.1	12.7
NMDC	78	6,84,443	6,15,478	2.2	7.1	9.9	2.2	2.1	2.0	6.6	6.0	5.7	9.2	8.7	8.3
LLOYDSME*	1,307	7,34,506	7,47,730	7.5	23.6	31.5	5.5	3.9	3.3	16.7	11.6	9.6	23.2	17.0	14.5
SAIL	152	6,26,188	9,53,201	0.9	8.6	20.4	0.9	0.8	0.8	8.5	7.1	6.4	20.3	13.6	12.4
SHYAMMET	795	2,21,812	2,23,911	1.3	10.6	22.9	1.2	1.0	0.8	9.8	7.8	6.4	20.7	15.8	12.6
GODPI	277	1,85,600	1,80,753	3.5	16.0	25.0	3.3	2.5	1.7	15.4	9.1	7.8	21.8	14.1	12.7
<b>Average</b>				<b>2.7</b>	<b>13.0</b>	<b>25.7</b>	<b>2.4</b>	<b>1.9</b>	<b>1.7</b>	<b>11.5</b>	<b>8.5</b>	<b>7.4</b>	<b>22.4</b>	<b>15.0</b>	<b>12.7</b>

Source: Bloomberg, Choice Institutional Equities

\* Standalone number

## Why are we valuing LLOYDSME Standalone Business at 12x?

- The Indian steel and mining sector is undergoing a structural re-rating. Large integrated players like **JSW Steel** and **Tata Steel** often trade in the 10x–14x range (Average TTM EV/EBITDA of Integrated Players is ~12x).
- As LLOYDSME evolves into a fully integrated steelmaker, its valuation is logically converging toward these industry leaders rather than merchant miners like NMDC.
- Apart from this, LLOYDSME offers a unique financial profile (high growth, EBITDA margin improvement, manageable D/E, high ROE/ROCE and moving towards industry-leading EBITDA/t).

### 3.2 Key Investor Questions Answered

#### Q1: What is the outlook for iron ore production scaling and how will the company achieve its ambitious FY27 targets?

**Ans 1:** LLOYDSME has demonstrated a clear trajectory for volume growth, moving from **10 MT in FY25 to a guidance of 25–26 MT by FY27**. This growth is underpinned by enhanced Environmental Clearance (EC) limits, which have been scaled from 10 MT to **55 MT**. Execution is supported by the mobilisation of Thriveni Earthmovers and the commissioning of integrated infrastructure such as the **slurry pipeline**, which ensures seamless evacuation and allows the company to "sweat assets" more efficiently.

#### Q2: How sustainable are the current EBITDA margin and what are the primary structural drivers for future profitability?

**Ans 2:** LLOYDSME reported a robust standalone EBITDA margin of **33.8% for 9MFY26**, a 280 bps YoY increase. From an institutional perspective, margin sustainability is driven by a **shifting product mix toward Value Added Products (VAP)**. VAP share in revenue increased from 15% in Q3FY25 to **40% in Q3FY26**. Furthermore, the integration to **slurry-based logistics** is expected to deliver structural cost-saving of **INR 800–1,000/t** compared to road transport, creating a permanent competitive advantage.

#### Q3: What is the strategic significance of the MoU with Tata Steel and how does it de-risk the company's downstream expansion?

**Ans 3:** The strategic collaboration with Tata Steel is a major de-risking event. It includes a proposed **50.01% acquisition of TPPL** and a long-term **Pellet Conversion & Offtake arrangement**. This ensures **assured volumes and long-term visibility into cash flow** with a tier-one counterparty. By leveraging existing infrastructure to meet Tata Steel's requirements, LLOYDSME can maximise plant utilisation and generate an estimated INR 3,500 Mn in **EBITDA** from the BRPL pellet conversion arrangement alone, without the risks associated with greenfield marketing.

#### Q4: With the "mining auction cliff" approaching in 2030, how is LLOYDSME positioned regarding raw material security?

**Ans 4:** While the Indian industry faces a significant risk with over **100 MT of capacity due for auction by 2030** at potentially high premiums, LLOYDSME is uniquely insulated. The company's iron ore mine leases are **valid until 2057**, ensuring long-term raw material security without the cost-inflationary pressure of new auction premiums, which recently averaged **178% of IBM prices**. This long-term visibility is a critical differentiator for institutional investors seeking stability in the metals sector.

#### Q5: What is the roadmap for moving from a pure-play miner to an integrated steel producer?

**Ans 5:** LLOYDSME is aggressively pursuing a **roadmap toward value addition**. The company already commissioned its DRI expansion in Q3FY26 and is targeting **4.2 MT of total steelmaking capacity**. Key milestones include the expansion of pellet production to **8 MT** and the commencement of a **1.2 MT steel (WRM) plant**, which is currently in advanced construction stages. This integration allows the company to capture the full spread from ore to finished steel, significantly enhancing the **EBITDA/t** profile.

## 3.2 Key Investor Questions Answered

**Q6: How does the company's international foray into Copper and Gold mining impact its core focus and risk profile?**

**Ans 6:** While iron ore remains the core, the diversification into "New Age" metals like copper provides a hedge and a new growth pillar. The acquisition of a **50% interest in a DRC copper platform** targets **15,000 tonnes of production by 2027**, leveraging high-grade oxide ores for a competitive cost position. Additionally, the potential reopening of the **Panguna mine in Bougainville** (PNG) represents a massive, albeit long-term, optionality for copper and gold. These ventures are managed through Thriveni's proven execution capabilities and mitigating operational risk.

**Q7: How efficient is the company's capital allocation and what are the expected return ratios as major projects mature?**

**Ans 7:** LLOYDSME maintains a strong balance sheet with a **Net Debt/Equity ratio that has historically trended near zero or negative**. The company reported an impressive **ROCE of 26.4% in FY25** (which jumps to **62% when excluding CWIP**). Expansion is being funded through a mix of internal accruals and efficient capital allocation, with a focus on projects like the slurry pipeline that offer rapid payback through immediate freight savings.

## 3.3 Key Insights from Management Meet

**Significant Pellet Capacity Increase:** LLOYDSME is expanding its pellet plant capacities from 8 MT to 10 MT to enhance its value-added product mix

**Substantial Logistics Savings:** The transition to pipeline logistics is expected to save ~INR 850/t for sale material and up to INR 1,250/t for material used internally

**Targeted Thriveni EBITDA:** For FY27, Thriveni is targeting an EBITDA of ~INR 30,000 Mn

- **Copper Production Scaling:** The copper cathode project in Katanga aims for **10,000 tons of production in FY27**, with plans to scale to a **30,000-ton integrated operation** within three years
- **Significant Pellet Capacity Increase:** LLOYDSME is optimising its pellet plant capacities from 8 MT to **10 MT** to enhance its value-added product mix
- **Timeline for Steelmaking:** FY27 will mark the company's **formal entry into the steelmaking industry**, with a 1.2 MT wire rod mill expected by Q4FY27
- **Logistics Cost Leadership:** A **second slurry pipeline** with a 16 MT capacity is planned to connect mines to the Chandrapur plant, removing current transport inefficiencies
- **Substantial Logistics Savings:** The transition to pipeline logistics is expected to save **~INR 850/t for sale material** and up to **INR 1,250/t** for material used internally
- **Iron Ore Volume Ambitions:** The company expects to exit FY26 with iron ore sales volumes exceeding **20 MT**
- **Banded Hematite Quartz (BHQ) Innovation:** A new BHQ plant is scheduled for commissioning by **December 2026** to process lower-grade ore into high-value products
- **Enhanced Product Premiums:** Processing BHQ will result in high-grade iron ore (66%–67%), which is expected to command a **market premium of ~INR 1,000-1,400/t**
- **Aggressive Financial Targets:** Management aims for the **current bottom-line figures to become the company's top-line figures** within the next two to three years
- **Strategic Entry into Copper:** LLOYDSME is expanding into the Democratic Republic of Congo (DRC) to mine copper, which they view as the **"new gold" for the modern economy** due to sustained long-term demand
- **Strategic Partnership with Tata Steel:** A non-binding MOU with **Tata Steel** explores joint bidding for assets and infrastructure collaboration in the Eastern belt of India
- **Thriveni Revenue Expansion:** Thriveni's revenue is projected to grow from over INR 75,000 Mn in FY26 to **more than INR 1,00,000 Mn in FY27**
- **Targeted Thriveni EBITDA:** For FY27, Thriveni is targeting an **EBITDA of ~INR 30,000 Mn**
- **Sustainability Initiatives:** Future mining operations will focus on reducing carbon footprints through the **electrification of equipment** and the use of LNG hybrid systems
- **Debt Management Discipline:** Despite heavy capital expenditure, the LLOYDSME maintains a strict target **debt-to-EBITDA ratio of 1:1**
- **Peak Debt Projections:** Debt is expected to peak in **FY28 at ~INR 105 to INR 106 Bn** on a consolidated basis
- **Shift to Value-Added Mix:** Value-added products like pellets and DRI now account for **35% of standalone revenues**, which helps reduce revenue volatility and improve margin
- **International Portfolio Rationalisation:** The company is **scaling back lower-margin operations in Indonesia** to redeploy equipment and resources to higher-return opportunities elsewhere

## 3.4 SWOT Analysis

 <b>Strengths</b>	 <b>Weaknesses</b>	 <b>Opportunities</b>	 <b>Threats</b>
<p><b>Captive high-grade iron ore (Surjagarh)</b> ensures <b>industry-leading cost competitiveness</b></p> <p><b>Integrated model (mining → DRI → steel)</b> supports <b>margin stability across cycles</b></p> <p>Strong <b>volume visibility</b> with mining capacity ramp-up to ~10 MT+</p> <p><b>Lean balance sheet + operating leverage</b> drives superior return ratios</p>	<p>High <b>dependence on a single mining asset (Surjagarh)</b></p> <p><b>Execution intensity</b> in scaling mining, logistics, and steel capacities simultaneously</p> <p>Limited <b>downstream diversification</b> vs larger integrated peers</p> <p>Exposure to <b>infrastructure/logistics bottlenecks</b> in Gadchiroli region</p>	<p>Sharp <b>volume ramp-up</b> to drive <b>operating leverage-led earnings inflection</b></p> <p>Potential <b>steel capacity expansion</b> enhances value addition vs raw ore sales</p> <p><b>Rail/logistics infra development</b> to unlock faster evacuation and scale</p> <p>Beneficiary of <b>India's structural steel demand upcycle + import substitution</b></p>	<p><b>Regulatory/tax changes</b> (royalty, state levies) can impact mining economics</p> <p><b>Iron ore &amp; steel price volatility</b> could compress spreads during downcycles</p> <p><b>Geopolitical/export dynamics</b> influencing domestic steel realisations</p> <p><b>Environmental &amp; clearance-related risks</b> in mining expansion</p>

## LLOYDSME Distinct Strengths Vs Competitors

LLOYDSME benefits from **structural cost leadership** driven by captive high-grade iron ore, placing it sustainably lower on the cost curve versus peers

## LLOYDSME Distinct Weakness Vs Competition

LLOYDSME remains **highly dependent on a single mining asset (Surjagarh)**, exposing it to operational, regulatory, and concentration risks

## LLOYDSME Distinct Opportunities Vs Competition

LLOYDSME is uniquely positioned to **capture value through forward integration into steel/DRI**, leveraging captive low-cost iron ore

## LLOYDSME Distinct Threats Vs Competitors

LLOYDSME faces **regulatory and policy risks** around mining (**royalties, taxes, clearances**), which can impact cost structure versus peers

## 3.5 View and Valuation

Valuation (Standalone)	FY26E	FY27E	FY28E	FY29E
EBITDA	44,743	64,465	77,934	96,686
Multiple (x)	12.0	12.0	12.0	12.0
EV	5,36,921	7,73,578	9,35,213	11,60,227
NetDebt/(Cash)	12,219	86,064	80,097	66,288
Mcap	5,24,702	6,87,514	8,55,116	10,93,939
Shares o/s (Mn)	562.0	562.0	562.0	562.0
Fair Value per share (INR)	933.6	1,223.3	1,521.6	1,946.5
<b>Standalone TP (INR/sh)</b>			<b>1,521.6</b>	
Valuation (Thriveni)	FY26E	FY27E	FY28E	FY29E
EBITDA	28,000	34,470	31,380	31,800
Multiple (x)	6.0	6.0	6.0	6.0
EV	1,68,000	2,06,820	1,88,280	1,90,800
NetDebt/(Cash)	61,160	51,160	41,160	31,160
Mcap	1,06,840	1,55,660	1,47,120	1,59,640
Shares o/s (Mn)	562.0	562.0	562.0	562.0
Fair Value per share (INR)	190.1	277.0	261.8	284.1
<b>TP (INR/sh)</b>			<b>261.8</b>	
less: minority interest (20.18%)			53	
<b>LLOYDSME share (79.82%)</b>			<b>209.0</b>	
<b>Consol TP (INR/sh)</b>			<b>1,730</b>	
<b>Upside (%) from CMP INR 1,307</b>			<b>32.4%</b>	

Source: LLOYDSME, Choice Institutional Equities

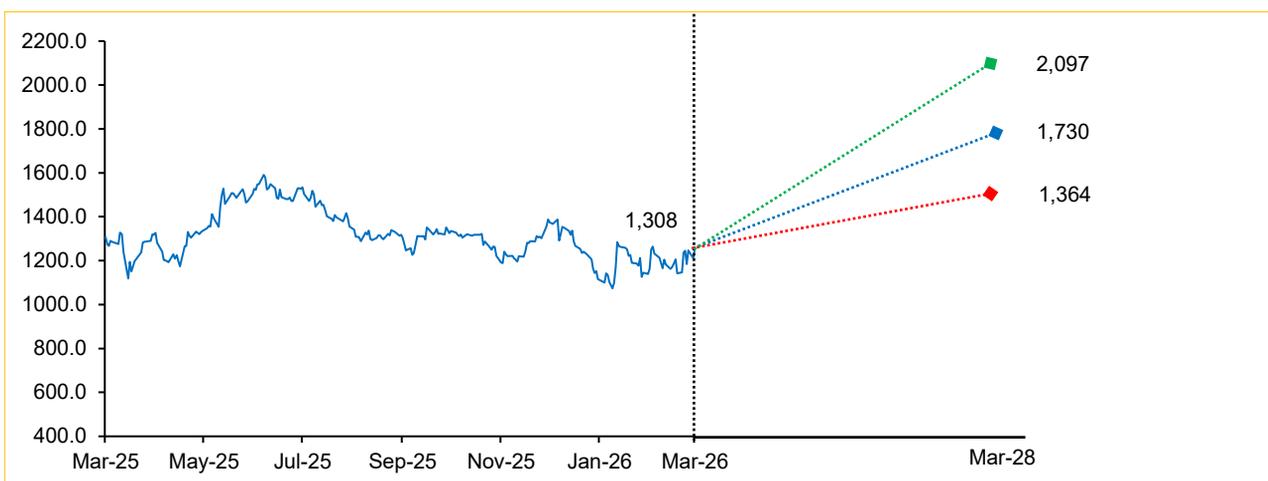
Our SOTP-based valuation assigns a **12x EV/EBITDA multiple** to the core standalone business, reflecting peer-leading margins and impending 1.2 MT wire rod commissioning. We further value the Thriveni MDO subsidiary at **6x**, recognizing its distinct cash flow profiles and strategic optionality. As the "mining-to-steel" integration matures and non-core assets de-layer, we expect a steady improvement in **earnings quality and cash-flow visibility**. We initiate with a **BUY** rating and a 12-month target price of **INR 1,730**, offering a compelling **32.4% upside**.

- Lloyds Metals & Energy (LMEL) represents an asymmetric valuation play, underpinned by the structural cost advantages of its Tier-1 Surjagarh iron ore assets.
- The company is successfully transitioning from a merchant miner to a vertically integrated steel producer, a shift that is set to trigger a multi-year expansion in both EBITDA and return ratios.
- Our SOTP-based valuation assigns a **12x EV/EBITDA multiple** to the core standalone business, reflecting its peer-leading margins and impending 1.2 MT wire rod commissioning.
- We further credit the market-leading Thriveni MDO subsidiary at **6x EBITDA**, recognising its distinct cash flow profiles and strategic value.
- As the integrated "mining-to-steel" narrative matures and non-core assets are de-layered, we expect a steady improvement in **earnings quality and cash-flow visibility**.
- We maintain a **BUY** rating with a 12-month target price of **INR 1,730**, offering a compelling **32.4% upside** from current levels.

## Copper Cathode JV — Hidden Optionality, Not in the Numbers

We assign **no value** to the Copper Cathode JV in our SOTP, due to early-stage execution risks. However, given **Congo-linked resource exposure and dedicated promoter-active on-ground oversight**, the project offers **longer-term optionality**, with potential to be value-accretive upon successful commissioning and scale-up.

## 3.6 Bull / Bear Case



BEAR CASE	BASE CASE	BULL CASE
Vol -15% · Realisation -10% · EBITDA/T -10%	Normalised Price, Stable Operations	Vol +15% · Realisation +10% · EBITDA/T +10%

## Key Operating Assumptions (Standalone)

Metric	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E
<b>A. Iron Ore</b>												
Sales Volume (MT)	14.4	17.6	12.9	11.8	16.92	20.72	15.22	13.90	19.5	23.8	17.5	16.0
Realisation (INR/T)	5,220	5,220	5,220	5,220	5,800	5,800	5,800	5,800	6,380	6,380	6,380	6,380
EBITDA / T (INR/T)	1,755	1,799	1,844	1,890	1,950	1,999	2,049	2,100	2,145	2,199	2,254	2,310
<b>B. DRI (FY26 only — plant transitions to HBI thereafter)</b>												
External Sales (KT)	397	0	0	0	467	0	0	0	537	0	0	0
Realisation (INR/T)	28,350	0	0	0	31,500	0	0	0	34,650	0	0	0
EBITDA / T (INR/T)	5,400	0	0	0	6,000	0	0	0	6,600	0	0	0
<b>C. Pellets</b>												
Sales Volume (MT)	1.8	3.3	6.9	5.7	2.1	3.9	8.1	6.7	2.5	4.4	9.3	7.7
Realisation (INR/T)	9,000	9,000	9,000	9,000	10,000	10,000	10,000	10,000	11,000	11,000	11,000	11,000
EBITDA / T (INR/T)	3,600	3,735	3,825	3,825	4,000	4,150	4,250	4,250	4,400	4,565	4,675	4,675
<b>D. Wire Rod (commissioning Sep-26; FY27E first full contribution year)</b>												
Sales Volume (MT)	0	0.5	0.9	0.9	0	0.6	1.1	1.1	0	0.7	1.2	1.2
Realisation (INR/T)	0	46,800	44,460	42,237	0	52,000	49,400	46,930	0	57,200	54,340	51,623
EBITDA / T (INR/T)	0	9,900	9,900	12,150	0	11,000	11,000	13,500	0	12,100	12,100	14,850
<b>E. HRC (FY29E only — steel plant commissioning)</b>												
Sales Volume (MT)	0	0	0	1.3	0	0.0	0	1.5	0	0	0	1.7
Realisation (INR/T)	0	0	0	45,000	0	0	0	50,000	0	0	0	55,000
EBITDA / T (INR/T)	0	0	0	14,400	0	0	0	16,000	0	0	0	17,600
<b>F. Power</b>												
Revenue (INR Mn)	800	880	960	1,000	1,000	1,100	1,200	1,250	1,200	1,320	1,440	1,500
EBITDA (INR Mn)	320	360	400	480	400	450	500	600	480	540	600	720

## 3.6 Bull / Bear Case

Metric (INR Mn)	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E
<b>TOTAL NET REVENUE</b>	1,03,475	1,46,179	1,71,176	2,09,793	1,35,215	1,91,033	2,23,705	2,74,181	1,70,982	2,41,585	2,82,909	3,46,758
<b>TOTAL EBITDA</b>	34,243	49,332	59,637	73,985	44,743	64,465	77,934	96,686	56,574	81,519	98,554	1,22,268
EBITDA Margin %	33.09%	33.75%	34.84%	35.27%	33.09%	33.75%	34.84%	35.26%	33.09%	33.74%	34.84%	35.26%
Standalone TP @ 8x	588	725	919	1,199	774	994	1,244	1,602	985	1,297	1,611	2,058
<b>Standalone TP @ 9x</b>	<b>709</b>	<b>900</b>	<b>1,131</b>	<b>1,462</b>	<b>934</b>	<b>1,223</b>	<b>1,522</b>	<b>1,947</b>	<b>1,186</b>	<b>1,587</b>	<b>1,962</b>	<b>2,493</b>
Standalone TP @ 10x	831	1,076	1,343	1,725	1,093	1,453	1,799	2,291	1,388	1,878	2,313	2,928
Consol TP @ low-level	651	836	1,031	1,327	847	1,117	1,364	1,739	1,141	1,527	1,805	2,269
<b>Consol TP @ mid-level</b>	<b>848</b>	<b>1,104</b>	<b>1,328</b>	<b>1,677</b>	<b>1,085</b>	<b>1,444</b>	<b>1,730</b>	<b>2,173</b>	<b>1,354</b>	<b>1,829</b>	<b>2,185</b>	<b>2,734</b>
Consol TP @ high-level	1,045	1,372	1,625	2,026	1,324	1,772	2,097	2,608	1,786	2,409	2,759	3,395

Source: LLOYDSME, Choice Institutional Equities

⚠️ KEY DOWNSIDE RISKS	⚡ KEY UPSIDE TRIGGERS
<ul style="list-style-type: none"> <li><b>Iron ore price correction:</b> A 10% decline in prices could compress FY28E EBITDA by ~INR 7–8 Bn, given iron ore contributes ~40% of standalone EBITDA.</li> <li><b>Wire rod commissioning delay:</b> Sep'26 remains a binary milestone; any 6–12 month slippage could defer ~INR 6.6 Bn EBITDA to FY28E.</li> <li><b>Pellet demand softness:</b> Weak downstream steel demand or dumping-led price pressure may reduce offtake, compressing EBITDA/t below INR 4,000 (base case).</li> <li><b>EC &amp; environmental constraints:</b> Regulatory bottlenecks could cap production below 55 MT EC capacity, directly limiting revenue and EBITDA scale.</li> <li><b>Steel capex overrun:</b> Cost inflation risks pushing capex beyond INR 300 Bn, potentially straining the balance sheet and delaying HRC commissioning.</li> </ul>	<ul style="list-style-type: none"> <li><b>Safeguard duty tailwind:</b> A 3-year safeguard on steel imports could lift domestic prices, driving higher pellet &amp; wire rod realisations and boosting EBITDA.</li> <li><b>Faster wire rod ramp-up:</b> Achieving 90%+ utilisation in FY27E (vs. 50% base) can add ~INR 5–6 Bn incremental EBITDA in FY27E.</li> <li><b>Pellet realisation beat:</b> With Q3FY26 at INR 10,289/t vs. INR 10,000/t base, sustained strength through FY27–28E could materially upgrade earnings.</li> <li><b>BHQ efficiency upside:</b> Processing 45 MT to yield ~16 MT, any efficiency gains in BHQ act as a powerful production multiplier from FY27E.</li> <li>HRC commissioning transforms LLOYDSME into a vertically integrated steel player; utilisation beyond 50% base (1.5 MT) drives strong revenue/EBITDA upside, while de-risking earnings cyclicality.</li> </ul>

Source: LLOYDSME, Choice Institutional Equities

### 4.1 Financials and Ratio Analysis

#### Income Statement (Standalone INR Mn)

Particulars	FY25	FY26E	FY27E	FY28E	FY29E
Revenue	67,214	1,35,215	1,91,033	2,23,705	2,74,181
Gross Profit	59,153	1,13,581	1,59,513	1,86,123	2,17,971
EBITDA	19,532	44,743	64,465	77,934	96,686
Depreciation	805	2,095	3,954	6,259	7,409
EBIT	18,727	42,649	60,510	71,676	89,277
Other Income	513	1,000	1,200	1,200	1,200
Interest Expenses	271	2,036	4,873	6,094	5,863
PAT	14,509	31,626	43,196	50,754	64,306
EPS (INR)	27.7	56.3	76.9	90.3	114.4

Ratio Analysis	FY25	FY26E	FY27E	FY28E	FY29E
<b>Growth Ratios (%)</b>					
Revenue	3.0	101.2	41.3	17.1	22.6
EBITDA	12.8	129.1	44.1	20.9	24.1
PAT	16.7	118.0	36.6	17.5	26.7
<b>Margins (%)</b>					
EBITDA	29.1	33.1	33.7	34.8	35.3
EBIT	27.9	31.5	31.7	32.0	32.6
PAT	21.6	23.4	22.6	22.7	23.5
<b>Profitability (%)</b>					
ROE	31.5	35.8	32.2	28.2	27.3
ROIC	31.4	33.9	24.9	20.6	21.9
ROCE	27.9	26.9	22.0	19.9	20.8
<b>Valuation</b>					
Mcap/Sales (x)	10.2	5.4	3.8	3.3	2.7
EV/EBITDA (x)	35.0	16.7	12.7	10.5	8.3
P/BV (x)	10.7	6.5	4.7	3.6	2.8
<b>Working Capital Days</b>					
Debtors Days	9.3	7.8	7.8	7.4	6.6
Inventories Days	195.5	145.0	170.3	157.7	164.0
Creditors Days	16.4	64.5	62.3	62.2	69.6
<b>Working Capital Cycle Days</b>	188.4	88.3	115.7	102.9	100.9

#### Balance Sheet (Standalone INR Mn)

Particulars	FY25	FY26E	FY27E	FY28E	FY29E
Tangible Fixed Assets	15,281	56,386	1,47,132	2,54,813	2,97,404
Capital WIP	41,811	60,000	80,000	15,000	15,000
Short-Term Investments	754	754	754	754	754
Cash & Cash Equivalents	7,386	40,867	7,021	9,988	19,798
Loans Advance & Other Assets	22,808	22,808	22,808	22,808	22,808
Inventories	4,318	8,597	14,704	16,233	25,251
Debtors	1,714	2,873	4,061	4,531	4,923
<b>Total assets</b>	<b>94,071</b>	<b>1,92,285</b>	<b>2,76,480</b>	<b>3,24,128</b>	<b>3,85,938</b>
Shareholder's Funds	64,031	1,12,796	1,55,430	2,05,060	2,66,556
Defferd Tax	757	757	757	757	757
Borrowings	7,847	53,836	93,836	90,836	86,836
Trade Payables	363	3,824	5,384	6,402	10,716
Other Liabilities & Provisions	21,073	21,073	21,073	21,073	21,073
<b>Total equity &amp; liabilities</b>	<b>94,071</b>	<b>1,92,285</b>	<b>2,76,480</b>	<b>3,24,128</b>	<b>3,85,938</b>

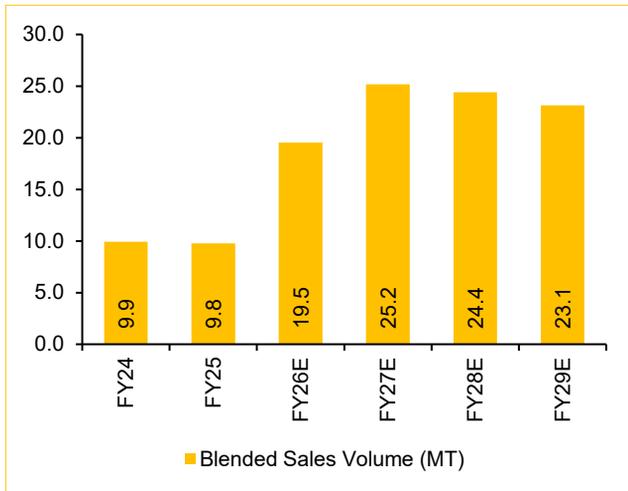
Cash Flows (INR Mn)	FY25	FY26E	FY27E	FY28E	FY29E
Cash Flows from Operation	12,049	32,779	45,089	60,926	71,282
Cash Flows from Investing	(39,760)	(60,390)	(1,13,500)	(47,740)	(48,800)
Cash Flows from Financing	28,080	61,092	34,565	(10,218)	(12,673)

DuPont Analysis	FY25	FY26E	FY27E	FY28E	FY29E
<b>ROE</b>	<b>31.5%</b>	<b>35.8%</b>	<b>32.2%</b>	<b>28.2%</b>	<b>27.3%</b>
Tax Burden	0.76x	0.76x	0.76x	0.76x	0.76x
Interest Burden	1.01x	0.98x	0.94x	0.93x	0.95x
EBITM	27.9%	31.5%	31.7%	32.0%	32.6%
Asset Turnover	1.0x	0.9x	0.8x	0.7x	0.8x
Equity Multiplier	1.4x	1.6x	1.7x	1.7x	1.5x
<b>DuPont Analysis</b>	<b>31.5%</b>	<b>35.8%</b>	<b>32.2%</b>	<b>28.2%</b>	<b>27.3%</b>

Source: LLOYDSME, Choice Institutional Equities

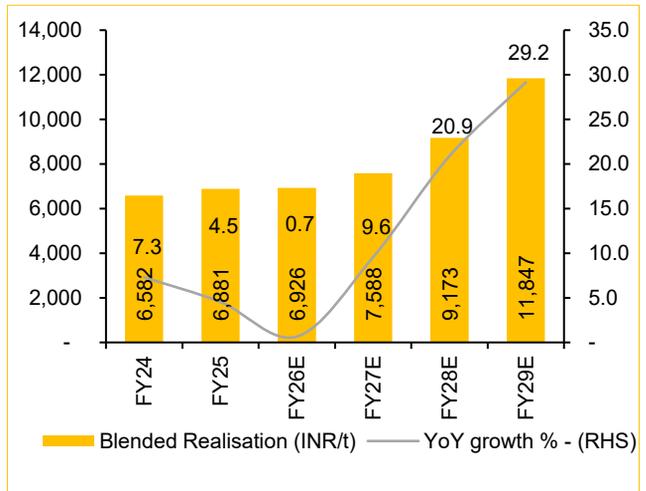
4.2 Graphs and Trends

**Iron Ore Allocation Transitions from Sales to Value-Added Steel**



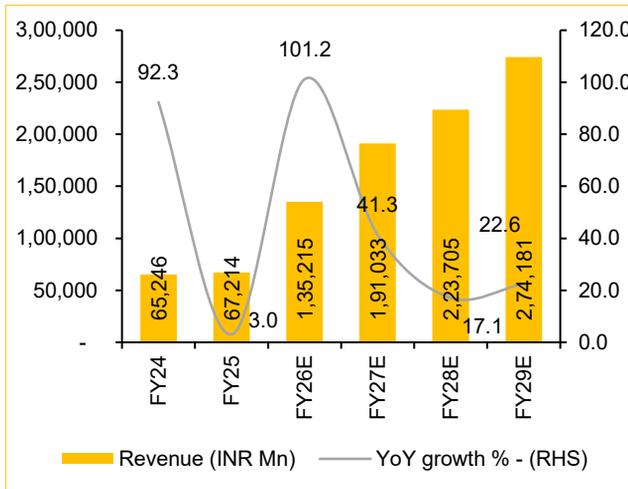
Source: LLOYDSME, Choice Institutional Equities

**EBITDA Reimagined: Scaling Healthy Levels on Integrated Efficiency**



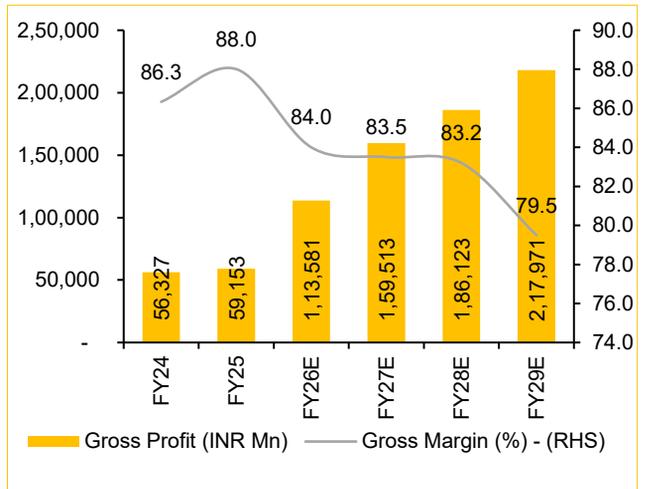
Source: LLOYDSME, Choice Institutional Equities

**Revenue Trajectory – Steep Ascent Powered by Volume & Mix**



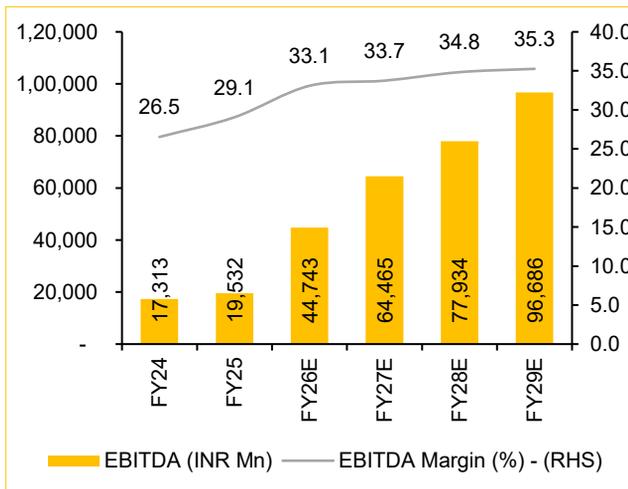
Source: LLOYDSME, Choice Institutional Equities

**Strategic Shift to Steel: Margin Mix Evolves, Not Erodes**



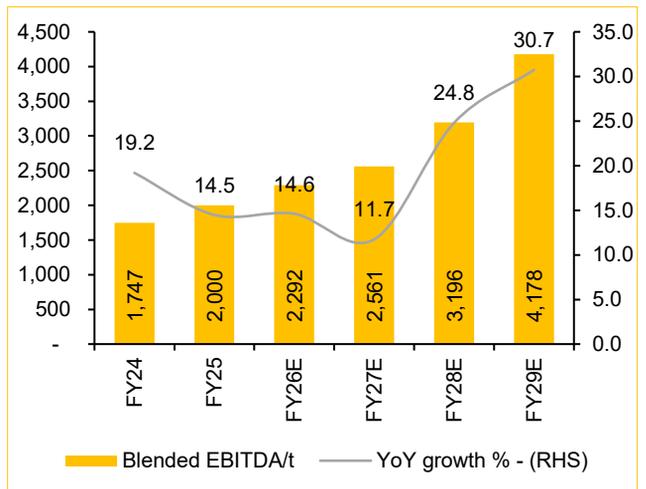
Source: LLOYDSME, Choice Institutional Equities

**Margin Expansion Flywheel: Operating Leverage Meets Value-Added Shift**



Source: LLOYDSME, Choice Institutional Equities

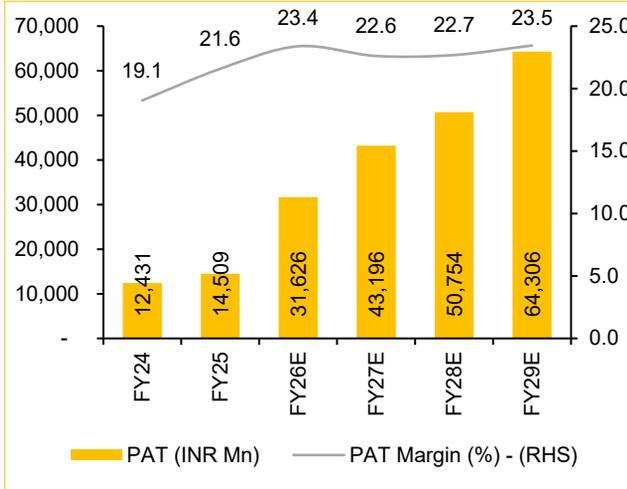
**More Steel, More Impact: Scaling the EBITDA Peak**



Source: LLOYDSME, Choice Institutional Equities

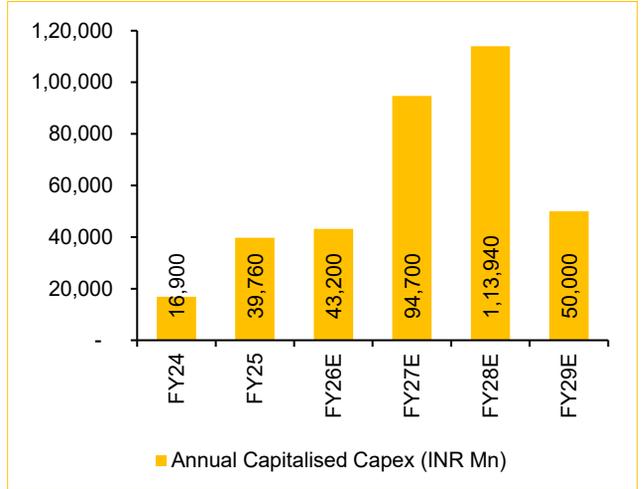
4.2 Graphs and Trends

**Growth Without Compromise: Scaling Up Without Margin Dilution**



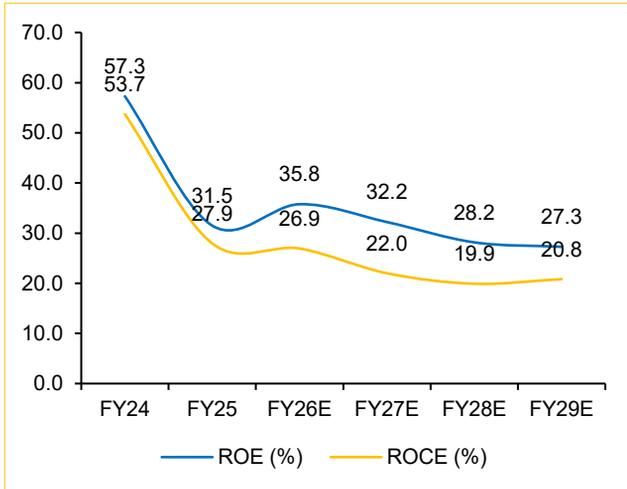
Source: LLOYDSME, Choice Institutional Equities

**Capex Roadmap – INR 300+ Bn Invested to Build a Steel Behemoth**



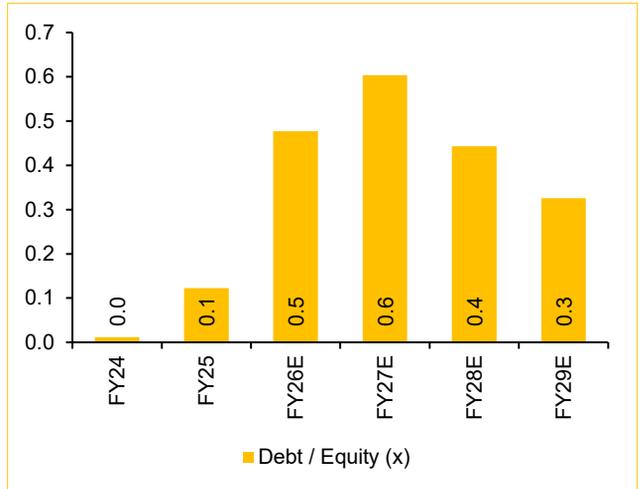
Source: LLOYDSME, Choice Institutional Equities

**Short-Term Pain, Long-Term Gain: The Capex Trade-Off**



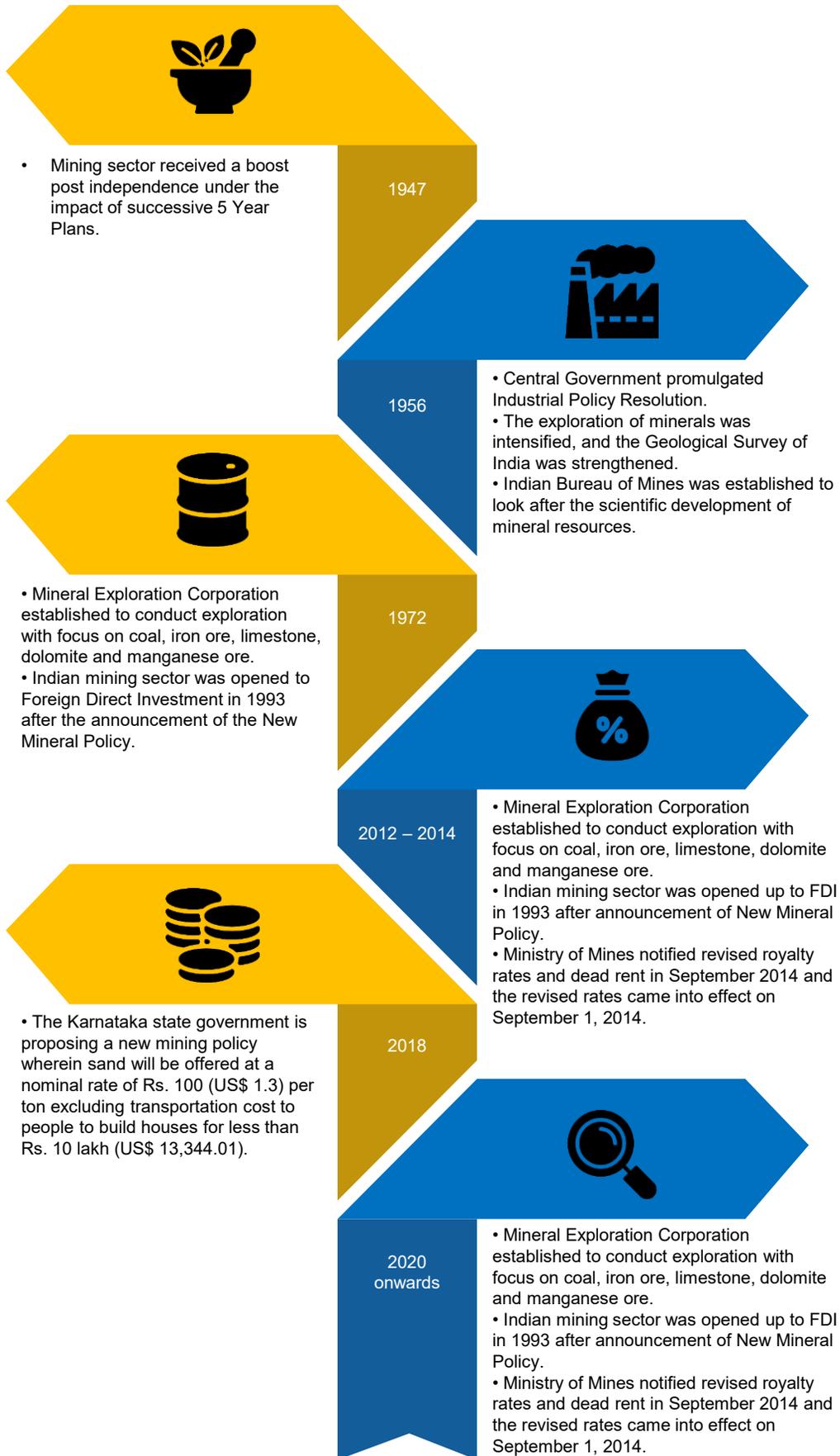
Source: LLOYDSME, Choice Institutional Equities

**The Debt-Defying Expansion: High-Octane Capex, Low-Gravity Leverage**



Source: LLOYDSME, Choice Institutional Equities

5.1 Evolution of the Indian Mining Sector



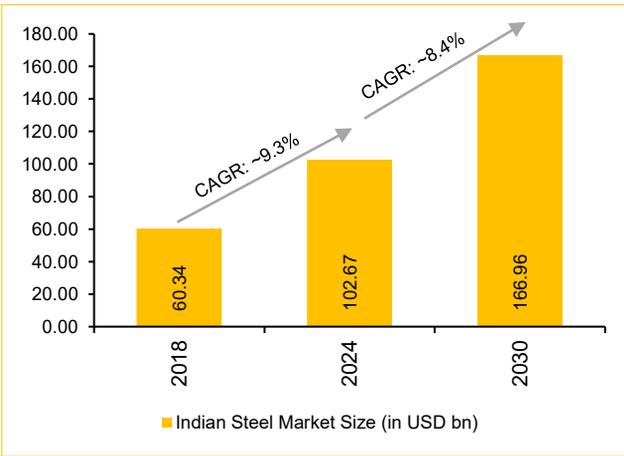
**5.2 India Steel: Entering a Multi-Decade Upcycle, Near-Term Supported by Policy**

India continues to strengthen its position as a global steel powerhouse, retaining its status as the **second-largest crude steel producer globally**, supported by sustained capacity additions and robust domestic demand.

Strong Operating Momentum	Structural Growth Intact	Policy-Driven Visibility & Value Chain Upgradation	Near-Term Marfin Support and View
<ul style="list-style-type: none"> <li>India remains the <b>2<sup>nd</sup> largest global crude steel producer</b>, with <b>FY25 crude steel at 151 MT</b> and finished steel at <b>145 MT</b></li> <li><b>FY26 YTD (Apr–Sep 25)</b> trends remain steady (crude: <b>82 MT</b>, consumption: <b>~79 MT</b>), indicating resilient domestic demand</li> </ul>	<ul style="list-style-type: none"> <li>Steel output is expected to scale to <b>~500 MT by FY50 (~3x growth)</b>, driven by <b>urbanisation, infra build-out and manufacturing push</b></li> <li><b>Demand remains resilient despite global uncertainties</b>, with consumption closely aligned to production—indicating sustained strength across infrastructure, construction and manufacturing end-use segments</li> </ul>	<ul style="list-style-type: none"> <li><b>NSP 2017</b> anchors the medium-term roadmap with a <b>300 MT capacity target by FY31</b> and rising steel intensity (160 kg per capita).</li> <li><b>AMNS India</b>: 7.3 MT greenfield expansion</li> <li><b>JSW–JFE</b>: Entry into <b>GOES (high-value electrical steel)</b> → Signals <b>shift towards value-added steel + import substitution</b></li> </ul>	<ul style="list-style-type: none"> <li><b>12% safeguard duty in April 2025</b> has led to <b>~11% decline in imports</b>, easing pricing pressure and supporting domestic spreads.</li> <li>The Indian steel sector remains <b>structurally strong</b>, supported by <b>policy tailwinds, capacity expansion and import substitution</b>. While <b>near-term volatility</b> may persist amid <b>global uncertainties</b>.</li> </ul>

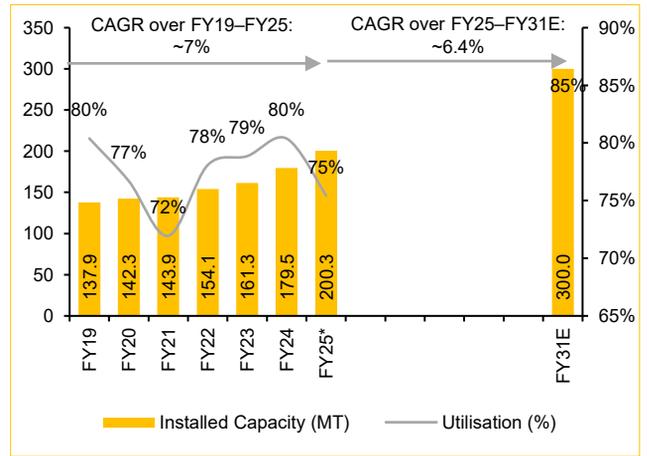
Source: ibef, Choice Institutional Equities

**Scaling on Structural Demand Tailwinds**



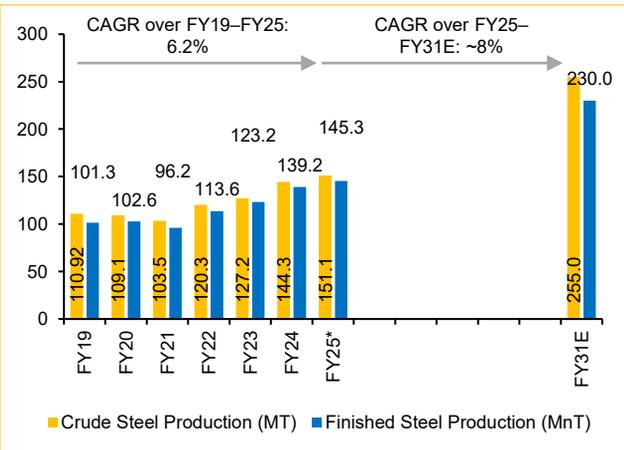
Source: ibef, Choice Institutional Equities

**Steel Capacity: Multi-Year Growth Visibility Strengthens**



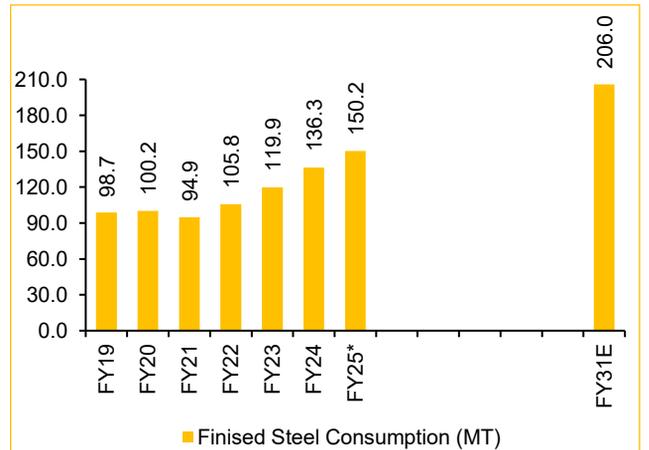
Source: PIB, Choice Institutional Equities

**Forging ahead: India's steel output on a steep growth curve**



Source: pib, Choice Institutional Equities

**Steel Consumption on a Tear: Demand Hits New Highs**



Source: steel.gov, Choice Institutional Equities

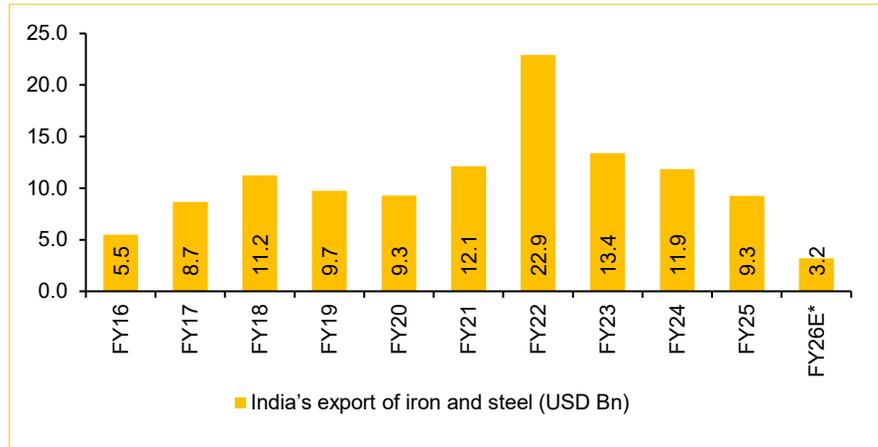
**5.3 Steel Exports Moderate After Peak; Domestic Demand Drivers Strengthen Outlook**

India's iron and steel exports stood at **INR 273.4 Bn (USD 3.19 Bn)** in **FY26YTD (Apr-Jul)**, reflecting a **sharp normalisation from the FY22 peak** amid weaker global demand and pricing pressures. Export momentum remains uneven, with **geographical mix shifting toward Europe (Belgium, Italy, Spain), Taiwan, the US and Qatar**, while **UAE, Nepal and Portugal saw a relative decline** on a YoY basis.

*While exports have normalised post-FY22 spike, strong domestic fundamentals provide earnings visibility, supporting a constructive medium-term outlook for the sector despite near-term global uncertainties.*

The export trajectory (**CAGR ~5.96% over FY16–FY26**) masks **high cyclicality**, with FY22 representing an outlier driven by elevated global spreads. Since then, **exports have corrected meaningfully**, tracking softer international steel prices and subdued global industrial activity.

**Exports Cool Off Post FY22 Spike; Domestic Demand Emerges as Key Anchor**

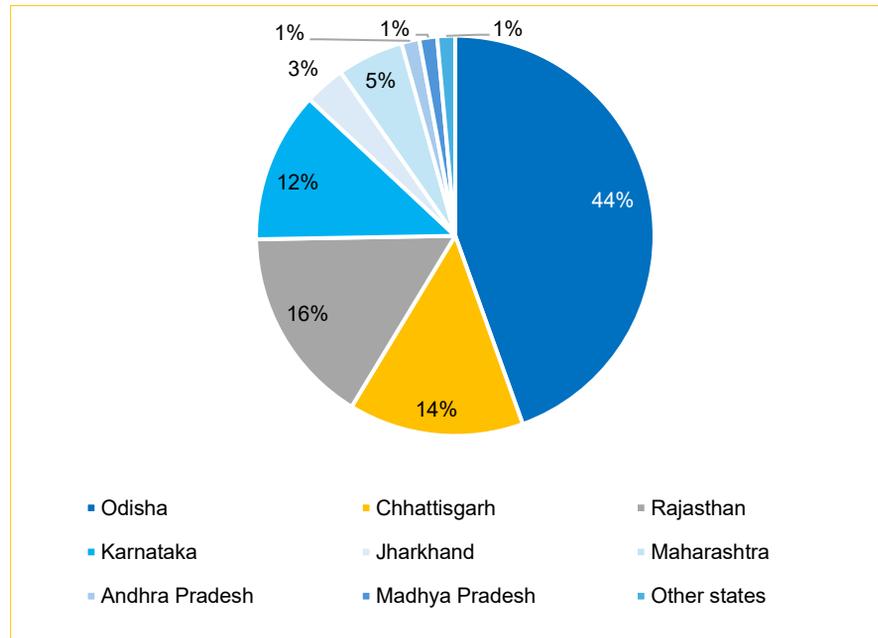


\*Until July 2025

Source: Ministry of Commerce, ibef, Choice Institutional Equities

**5.4 State-wise Mineral Production: Odisha at the Helm, Followed by Chhattisgarh & Rajasthan (FY25)**

**State-wise Mineral Production: Odisha at the Helm, Followed by Chhattisgarh & Rajasthan (FY25)**



Source: Ministry of Mines, IBEF, Choice Institutional Equities

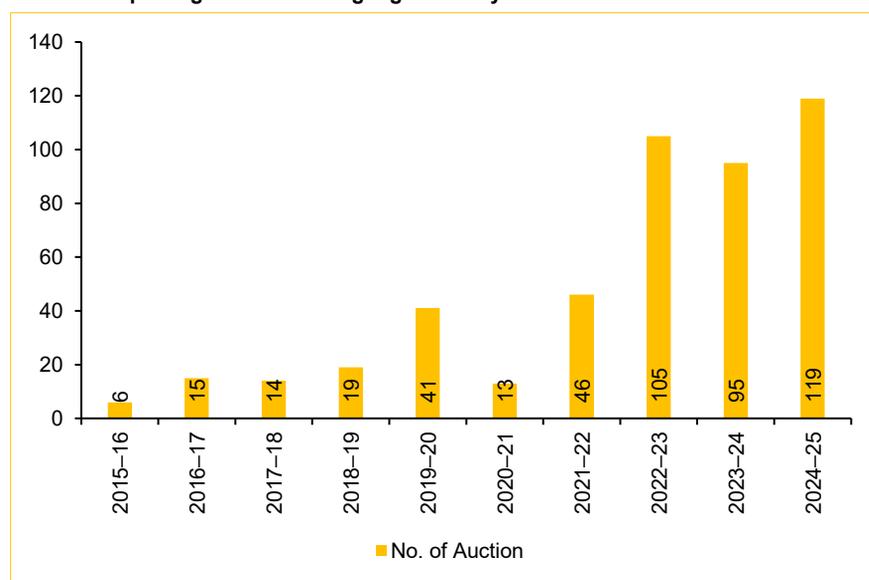
## Odisha Iron Ore Auctions since 2016

Name of the Block	Date of auction	Area (in Ha)	Reserves (in MT)	Final Bid (in %)	Preferred Bidder
Ghoraburhani - Sagasahi	02-03-2016	139.2	99.6	44.4	Essar Steel
Kalamang West (Northern Part)	18-05-2017	92.9	92.9	100.1	Bhusan Steel Ltd
Netrabandha	19-05-2017	139.2	82.0	87.2	Bhusan Power & Steel Ltd
Nuagaon Iron Ore Block	31-01-2020	777.0	789.1	95.2	JSW Steel Ltd
Narayanposhi Iron Ore & Manganese Block	01-02-2020	347.0	185.1	98.6	JSW Steel Ltd
Thakurani Iron Ore Block	02-02-2020	228.7	179.3	107.6	Arcelor Mittal India Pvt Ltd
Balda Iron Ore Block	03-02-2020	344.0	200.1	118.1	Serajuddin & Co.
Ganua Iron Ore Block	04-02-2020	88.5	118.9	132.0	JSW Steel Ltd
Jiling- Langalota Iron Ore Block	05-02-2020	456.0	72.8	135.0	Shyam Ores Jharkhand Pvt Ltd
Jajang Iron Ore Block	06-02-2020	669.1	39.4	110.0	JSW Steel Ltd
Roida II Iron Ore Block	07-02-2020	74.7	25.9	90.9	Narbheram Power & Steel Pvt Ltd
Mahulsukha Iron Ore & Manganese Block	08-02-2020	390.3	33.5	92.7	Patnaik Minerals Private Ltd
Gorumahisani Iron Ore Block	10-02-2020	348.1	17.6	115.0	Ghanshyam Mishra & Sons Pvt Ltd
Nadidih Iron Ore and Manganese Block	16-09-2021	117.2	23.7	92.3	ESL Steel Ltd
Kolmong Iron Ore and Manganese Block	12-02-2020	218.5	1.4	100.0	Yazdani Steel & Power Ltd
Siljora-Kalimati Block	13-02-2020	713.5	0.7	154.0	DebabrataBehera
Jaribahal Iron Ore Block	14-02-2020	107.4	7.2	150.0	Kashvi International Pvt Ltd
Teherai Iron Ore and Manganese Block	15-02-2020	135.1	8.9	93.1	Tarama Apartment Pvt Ltd
Jaruri Iron Ore Block	16-02-2020	73.4	2.7	126.3	Jagatjanani Services Pvt Ltd
Guali Iron Ore Block	17-03-2020	365.0	194.9	144.0	Jindal Steel & Power Ltd
Badampahar Iron Ore Block	01-07-2020	128.4	4.5	95.2	GM Iron & Steel Company Ltd
Kasia Iron Ore & Dolomite Block	16-09-2021	194.2	278.0	118.1	Jindal Steel & Power Ltd
Nadidih Iron Ore Block	16-09-2021	74.5	27.0	95.6	ESL Steel Ltd
Chandiposhi Iron Ore Block	16-09-2021	131.6	47.1	113.1	Rungta Mines Ltd
JumkaPathiriposhi Pahar Iron Ore Block	16-09-2021	158.5	140.3	110.2	Rungta Mines Ltd
Dholtapahar Iron Ore Block	16-09-2021	60.5	23.9	126.6	Kashvi Power & Steel Pvt Ltd
Gandhalpada Iron Ore Block	16-09-2021	241.1	314.4	141.3	Tata Steel Mining Ltd
Netrabandha Pahar West	16-09-2021	74.4	17.3	139.5	Raga Tradecon Pvt Ltd
Pureibahal Block	04-10-2021	64.3	46.8	124.0	Rungta Mines Ltd
Kendudhi North Block	14-03-2023	187.9	109.8	100.0	Rungta Mines Ltd
Kedesala North East Block	17-03-2023	100.4	51.9	100.0	Rungta Mines Ltd
Orahuri Block	21-03-2023	50.2	7.2	140.1	Om Sairam Steels & Alloys Pvt Ltd

Source: Ministry of Mines, Choice Institutional Equities

## Structural Upswing in Auctions Highlights Policy-Driven Growth

*Rising mine auctions reflect policy-led formalisation, though execution remains the key monitorable for supply realisation*



Source: Ministry of Mines, Choice Institutional Equities

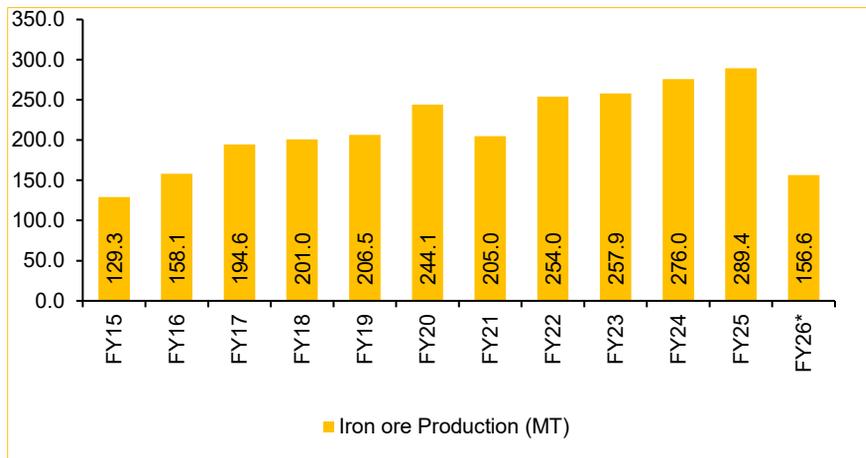
**5.5 Iron Ore Production: Stable Domestic Demand Offsets Export Weakness**

*We maintain a constructive outlook, with domestic steel demand driving growth and export decline indicating healthy internal absorption. While near-term volumes may remain range-bound, we expect a gradual upcycle aligned with steel capacity expansion, supported by policy-led supply additions.*

Iron ore production remains steady, with **October 2025 output at 24.8 MT (vs. 22.9 MT YoY)**. However, **FY26 YTD production is slightly lower at 156.6 mn tonnes**, indicating mild near-term softness.

Exports declined sharply to **INR 176.2 Bn in FY25 (vs. INR 324.3 Bn in FY24)**, reflecting **higher domestic consumption**. With **> 85% reserves being medium-to high-grade**, India remains well-positioned to support steel production. Continued policy support (mine auctions, ease of approvals, higher sales from captive mines) is aiding supply expansion.

**Iron Ore Production Shows Structural Uptrend**



\*Until June 2025

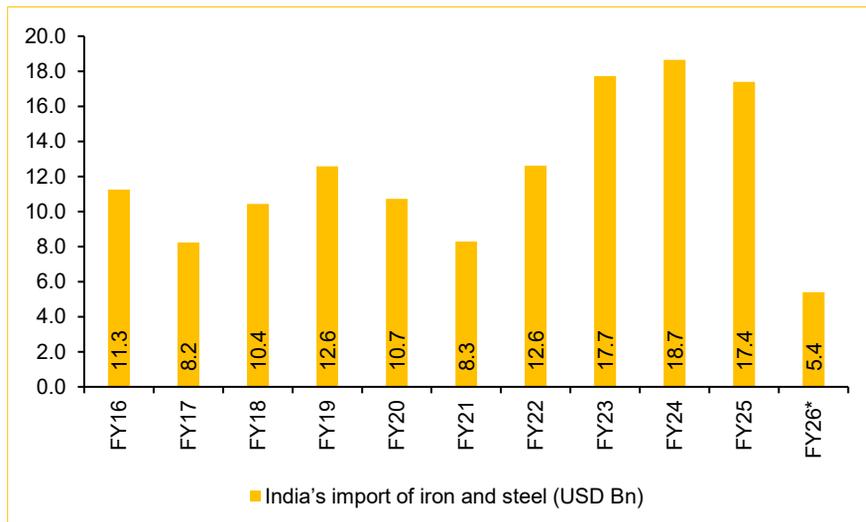
Source: Ministry of Mines, IBEF, Choice Institutional Equities

**5.6 Domestic Demand Strength Keeps Steel Balance Tight Despite Stable Imports**

*Strong domestic demand is increasingly tightening the supply-demand balance in the Indian steel ecosystem. While imports have remained broadly flat, ongoing capacity additions are unlikely to fully offset near-term demand momentum. We believe this dynamic supports firm domestic steel prices and elevated capacity utilisation levels, with players focused on value-added steel (like CRGO) better positioned to benefit from structural demand tailwinds.*

- Iron & steel imports remained largely stable, declining marginally by **0.5% YoY to USD 5.40 Bn (INR 463.4 Bn)** in FY26 (Apr–Jul), indicating limited reliance on external supply.
- Domestic steel demand continues to grow at **~7–8% in FY25**, supported by sustained infrastructure and government-led spending.
- Capacity expansion is underway, with the JSW Steel–JFE Steel JV planning an investment of **~INR 58.5 Bn** to scale CRGO steel capacity, alongside ramp-ups at the Nashik and Vijayanagar facilities.

**Elevated Steel & Iron Ore Imports Signal Demand Strength; Recent Decline Suggests Early Normalisation**



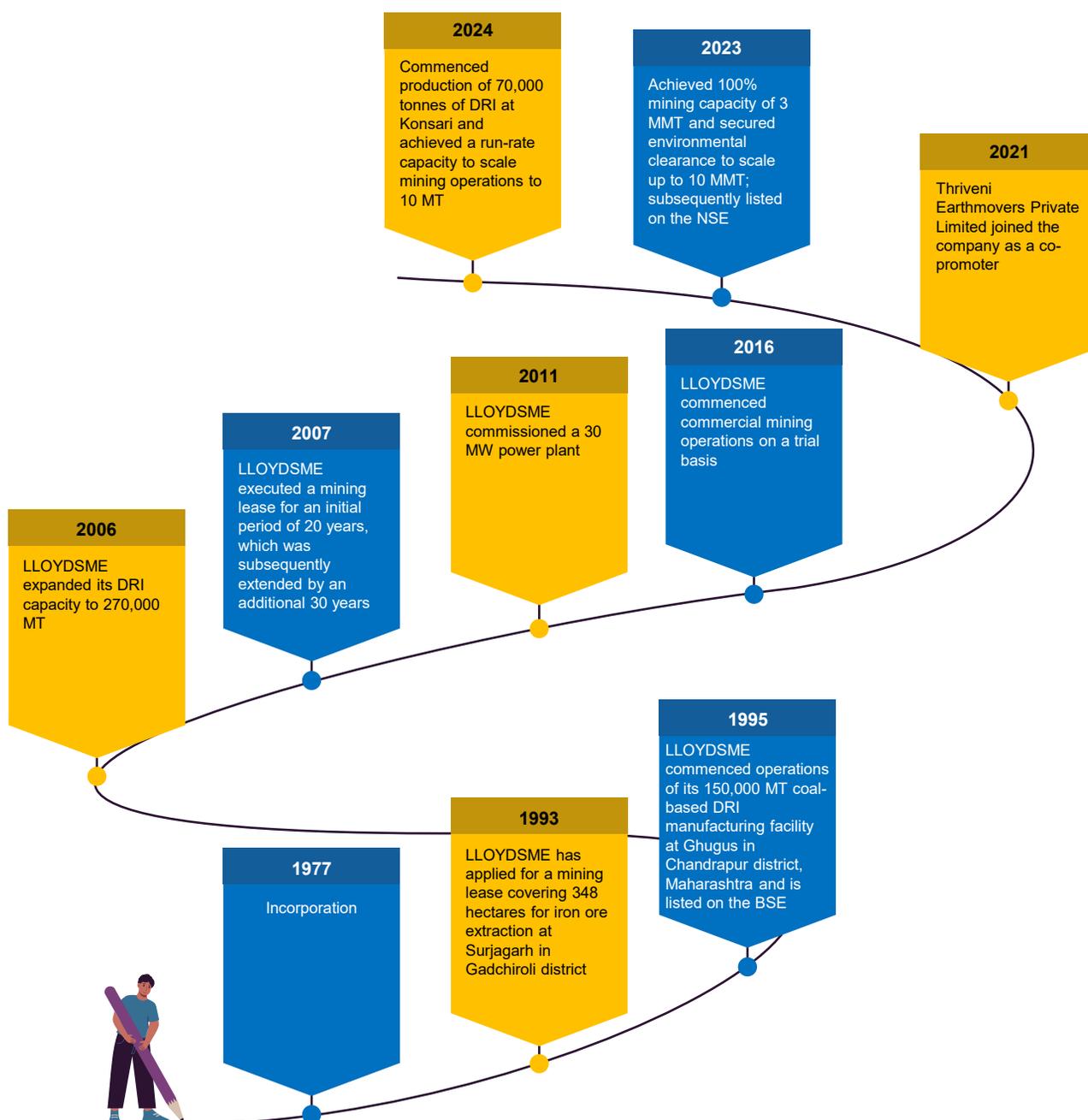
Source: Ministry of Commerce, IBEF, Choice Institutional Equities

## 6.1 Company History &amp; Key Milestones

LLOYDSME operates **India's largest single iron ore mine**, with dispatchable iron ore capacity being ramped up to **26 MT**. LLOYDSME is also scaling up **DRI capacity to 0.7 MT**. In addition, it has recently commissioned a **4 MT pellet plant** and plans to expand pellet capacity to **12 MT in a phased manner** to support future demand.

Further strengthening its value chain integration, LLOYDSME is setting up its **first integrated steel plant**, beginning with a **1.2 MT wire-rod facility**, followed by a **3 MT HRC plant** at a later stage. To support operations, LLOYDSME currently operates **~34 MW of captive power capacity** and has secured **over 100 MW of solar and wind power** for captive consumption.

## Key Milestones and Business Evolution Timeline



Source: LLOYDSME, Choice Institutional Equities

## 6.2 Business Segment Overview

LLOYDSME is evolving into a **fully integrated steel player** with strong control over raw materials. The integration from **iron ore → pellets → DRI → steel**, supported by captive power, is likely to **enhance cost competitiveness and margin visibility over the medium term**.

### Iron Ore Mining – Strong Resource Base

- LLOYDSME operates the **Surjagarh iron ore mine in Gadchiroli, Maharashtra**, which forms the backbone of its integrated steel strategy. It currently has **~10 MT iron ore capacity**, supported by **~157 MT extractable reserves** and **~706 MT BHQ resources**. LLOYDSME plans to ramp up iron ore capacity to **~25 MT**, supported by beneficiation to process lower-grade ore.

### Pelletisation – Moving Up the Value Chain

- LLOYDSME is developing **pellet plants at Ghugus and Konsari** with a **target capacity of ~12 MT**. The facilities will include a **slurry pipeline, grinding, and pumping infrastructure**, enabling efficient processing of iron ore fines and improving feed quality for downstream steelmaking.

### DRI – Expanding Intermediate Steel Capacity

- LLOYDSME currently operates **~0.34 MT DRI capacity** across **Ghugus and Konsari plants**. An **additional ~0.36 MT DRI capacity** is planned, which will strengthen its sponge iron output and support future steel production.

### Captive Power – Ensuring Energy Security

- LLOYDSME operates **~34 MW captive power capacity**, which is expected to expand significantly to **~470 MW**. This will support its expanding pellet, DRI, and steel operations while improving cost efficiency.

### Steel Manufacturing – Forward Integration Strategy

- LLOYDSME is setting up an **integrated steel facility at Ghugus and Konsari** with downstream capacities of **~1.2 MT wire rods (long products)** and **~3 MT HR coils (flat products)**. This expansion marks its transition toward higher value-added steel production.

### INTEGRATED – FROM MINING TO METALS TO MARKET

	Overall Capacity		Location-wise Capacity			
	Existing	Post Expansion	Chugus		Konsari	
			Existing	Post Expansion	Existing	Post Expansion
Iron Ore	10 MT	25 MT	-	-	10 MT	25 MT
BHQ Beneficiation (Throughput)	-	45 MT	-	-	-	45 MT
Pellets	-	12 MT	-	4 MT	-	8 MT
Slurry Pipeline	-	85 Kms & 195 Kms	-	-	195 Kms	85 Kms
Sponge/DRI	0.34 MT	0.70 MT	0.27 MT	0.63 MT	0.07 MT	0.07 MT
Steel	-	Wire rods and HRC: 4.2 MT	-	Wire Rods: 1.2 MT	-	HRC: 3.0 MT

Source: LLOYDSME, Choice Institutional Equities

## 6.3 Strategic Location of LLOYDSME Mine Supports Access to Major Steel Clusters

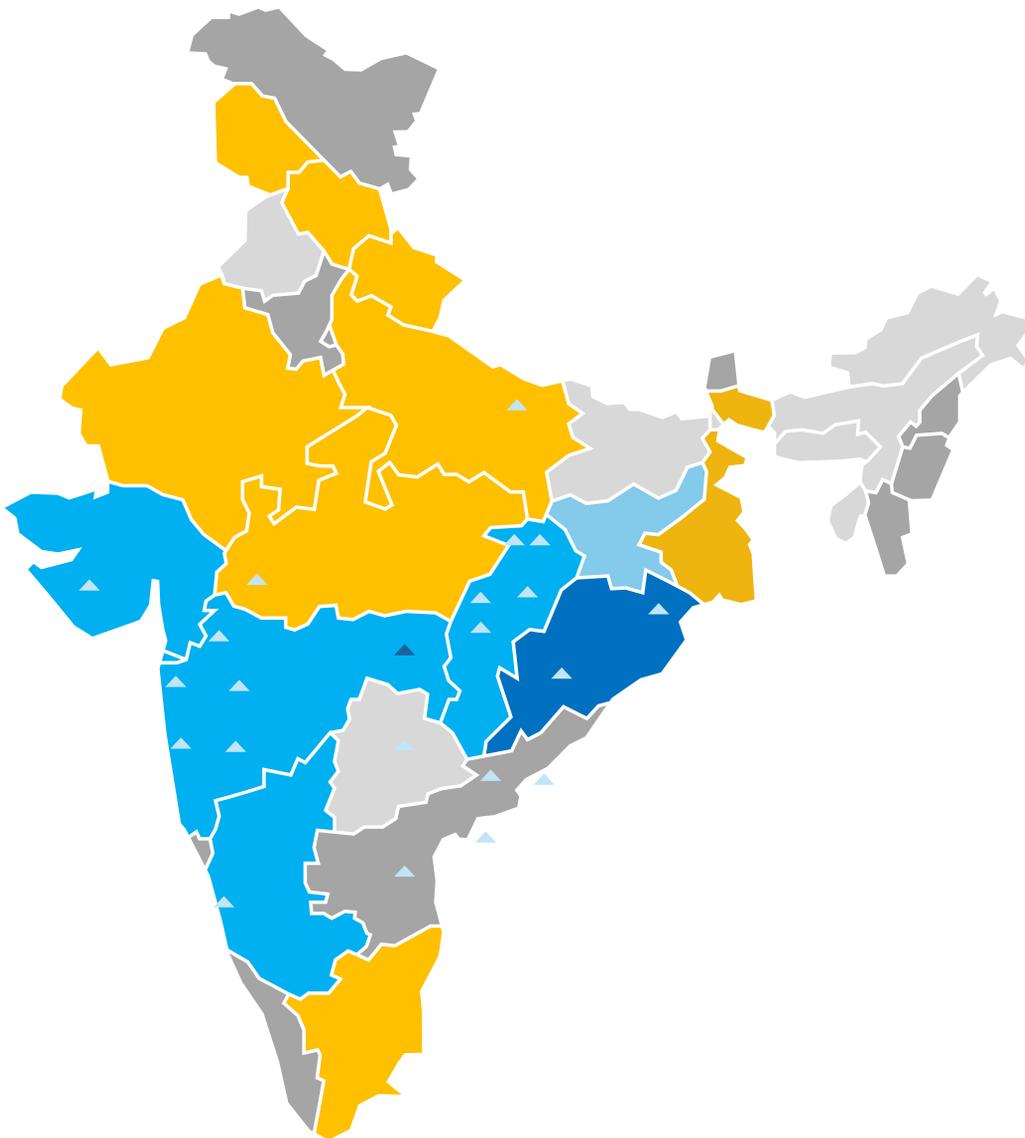
*We believe the strategic proximity to multiple steel clusters and deficit markets provides LLOYDSME with a structural advantage, with lower logistics costs, wider market access, and stable merchant demand, supporting volume ramp-up as the company scales iron ore dispatch to ~26 MT over the medium term.*

LLOYDSME Surjagarh iron ore mine in Gadchiroli (Maharashtra) is strategically positioned near India's major steel-producing belt across **Odisha, Chhattisgarh, Jharkhand and Maharashtra**, which together account for **55–60%** of India's crude steel production.

The company's location offers strong logistical advantages, enabling efficient supply to both **integrated steel plants in the eastern region** and **merchant steel producers in western and southern India**.

**Key takeaways from the geographic distribution:**

- Major steel plants (>2 MT capacity) are concentrated in the **eastern mineral belt**, supported by proximity to iron ore reserves.
- Lloyds Metals' mine sits within a **freight-efficient radius (<1,500 km)** of key steel demand centres such as **Gujarat, Andhra Pradesh and Tamil Nadu**, which are structurally **iron ore deficit markets**.
- The location also provides access to steel hubs in **Maharashtra, Karnataka and Chhattisgarh**, supporting strong merchant demand.



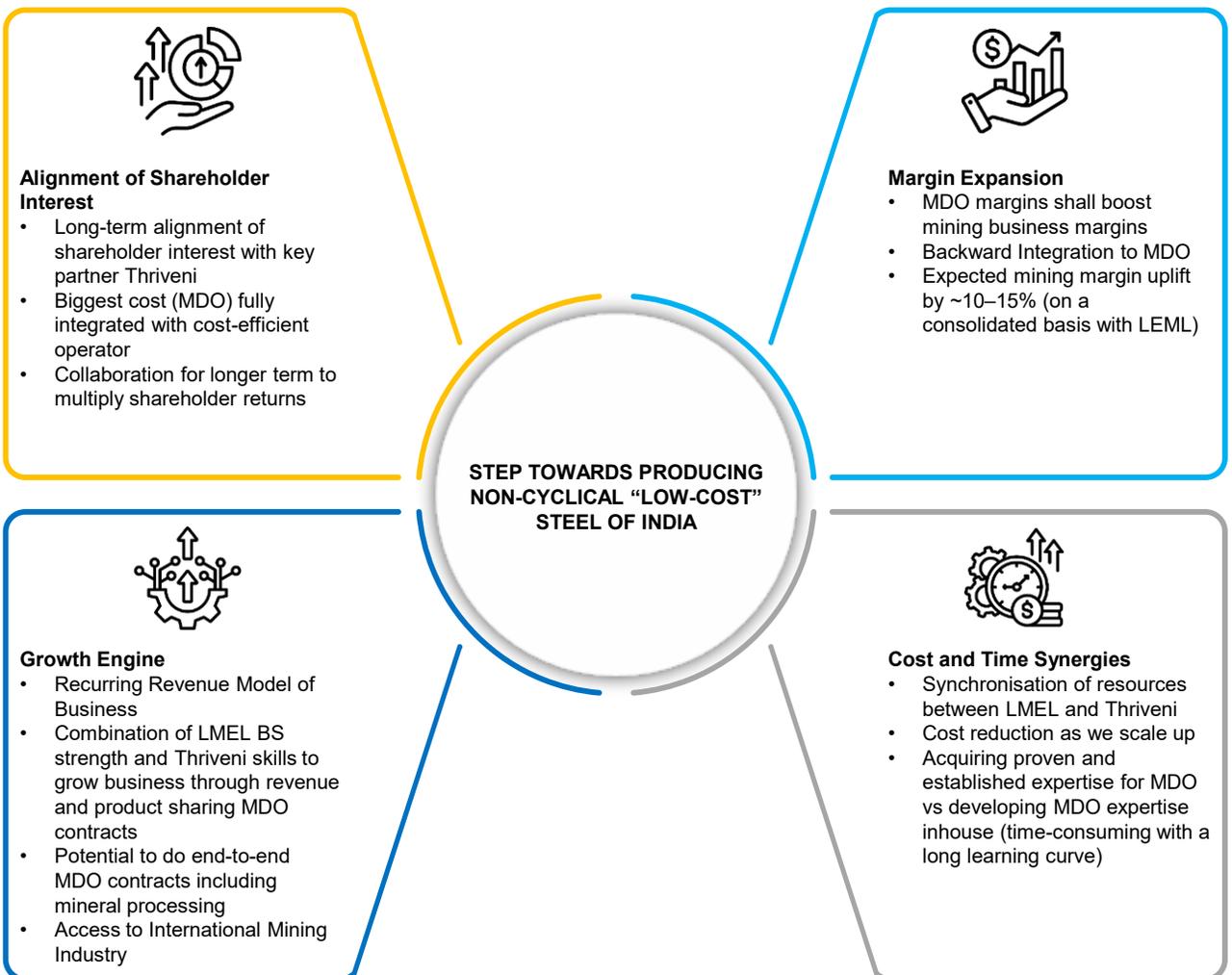
- ▲ Locations of major steel production facilities (above 2 MT)
- ▲ Lloyds Metals Iron Ore Mine

Source: LLOYDSME, Choice Institutional Equities

## 6.4 Scaling Surjagarh to Strengthen LLOYDSME Cost Leadership and Resource Optionality

*We believe the planned scale-up at Surjagarh could structurally improve LMEL's cost position and supply security, supporting margin expansion and long-term growth in its integrated iron and steel operations.*

- **Scalable Mining Operations:** Enables swift execution while supporting a phased ramp-up in mining capacity at the **Surjagarh Iron Ore Mine from ~10 MT to ~55 MT over the long term.**
- **Integrated Cost Advantage:** Higher captive iron ore availability is expected to **drive meaningful cost savings at the consolidated level**, strengthening margin visibility.
- **Lower Mining Costs:** Improved operational efficiencies and scale benefits are likely to **reduce per-tonne mining costs**, enhancing LMEL's competitiveness in the iron ore and steel value chain.
- **Future Resource Optionality:** Strengthens LLOYDSME ability to **expand mining opportunities across resource-rich regions such as Odisha, Jharkhand, and potentially overseas markets like Indonesia**, supporting long-term raw material security.



Source: LLOYDSME, Choice Institutional Equities

**6.5 Thriveni Acquisition Strengthens Earnings Stability and Diversification**

*We believe the Thriveni acquisition structurally improves LLOYDSME earnings stability and diversification, providing a counter-cyclical revenue stream alongside its core iron ore mining operations.*

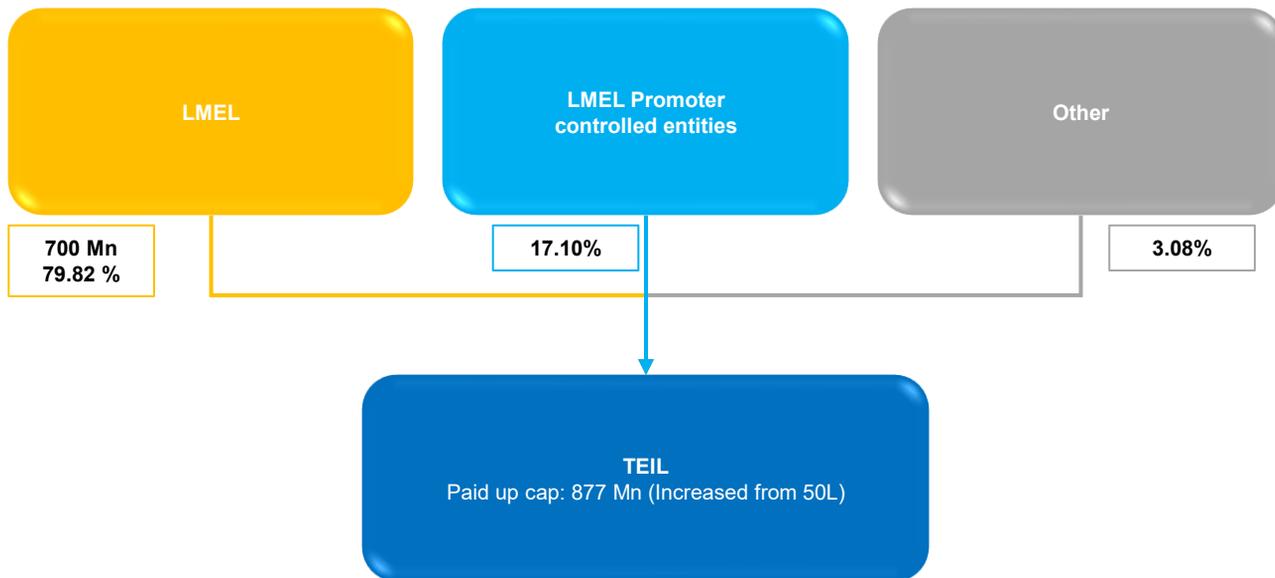
LLOYDSME acquired a **79.82% stake in Thriveni Earthmovers and Infra Pvt. Ltd. (unlisted)** in July 2025, marking a strategically important step towards **diversifying its business model and enhancing earnings visibility**. With this transaction, **Thriveni’s MDO (Mine Developer and Operator) business has been consolidated into LMEL’s financials from 2QFY26 onwards**.

The acquisition supports LLOYDSME’s transition from a **pure-play iron ore miner to a more diversified mining and metals platform**, reducing earnings volatility across commodity cycles.

**Key Strategic Benefits:**

- **Annuity-like Revenue Stream:** Thriveni’s **long-term MDO contracts generate stable, contract-based revenues**, which are relatively insulated from iron ore price volatility.
- **Improved Cash Flow Visibility:** Long-tenure contracts and strong project execution **enhance earnings stability and cash flow predictability**.
- **Operational Scale & Capability:** Strengthens LLOYDSME **mining services capabilities and execution depth**, improving its positioning with regulators and large steel customers.

**Acquiring TEIL is a value-accretive move aimed at smoothing earnings volatility and securing a high-visibility growth trajectory**



Source: LLOYDSME, Choice Institutional Equities

## 6.6 About the Management

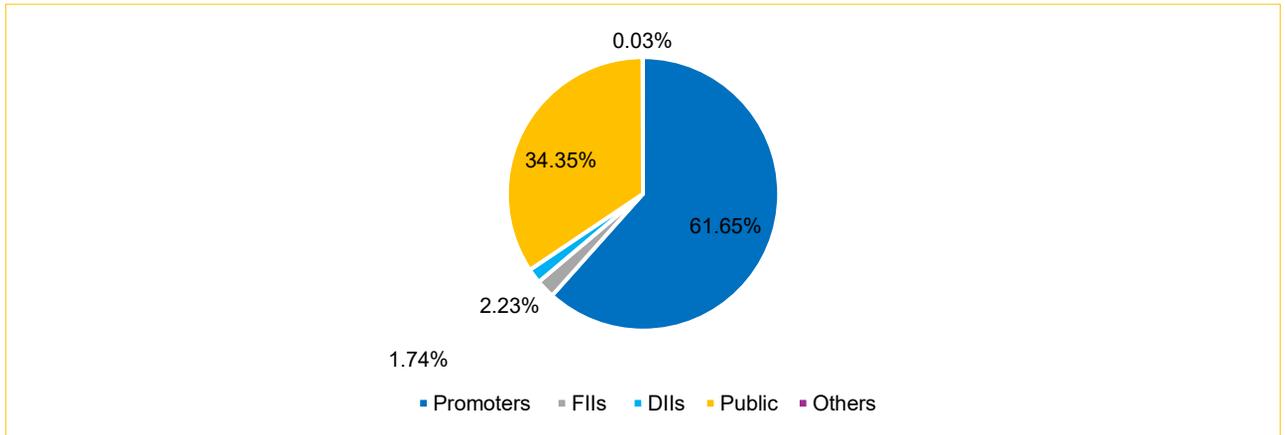
Name	Designation	Qualification	Experience
 <b>Mr. Mukesh Gupta</b>	Chairman, Non-Executive Director	Commerce graduate with over four decades of industry exposure and a deep understanding of the steel, power and real estate sectors.	Over 44 years of extensive experience in leading large-scale industrial ventures, playing a key role in the growth and diversification of the Lloyds Group, including the execution of major steel projects and the commissioning of a power plant.
 <b>Mr. Babulal Agarwal</b>	Vice Chairman, Non-Executive Director	Commerce and law graduate with strong expertise in corporate administration, legal affairs and the steel trading industry.	Over 54 years of diverse experience across steel trading, legal and corporate functions; co-founder of the Lloyds Group and a key member of the leadership team since 1st October 2010, contributing to the company's strategic direction, governance and long-term growth.
 <b>Mr. Rajesh Gupta</b>	Managing Director	Commerce graduate with strong expertise in production management, business strategy, and industrial operations.	Over 35 years of experience in the steel and power sectors, playing a key role in shaping Lloyds' strategic roadmap, driving operational excellence and financial growth and contributing to governance through leadership roles in multiple board committees.
 <b>Mr. Balasubramanian Prabhakaran</b>	Managing Director	Graduated in Computer Science with strong exposure to technology-driven operations in mining and infrastructure.	Founder of Thriveni Earthmovers Pvt. Ltd. (1994) with nearly three decades of leadership experience in mining and infrastructure; joined the Company's Board on 7th October 2021 and has been instrumental in driving transformation, operational excellence and sustainable growth in the mining and metals business.
 <b>Mr. Madhur Gupta</b>	Executive Director	Master of Science in Engineering and Business Studies from the University of Warwick, United Kingdom.	Over 8 years of experience in infrastructure development, project execution, planning and finance; serving as Executive Director since 13th November 2020, contributing to operational efficiency, project delivery and strategic business expansion.
 <b>Mr. Venkateswaran Soundararajan</b>	Executive Director	Graduated in Arts with strong domain knowledge in mining operations and project management.	Over 30 years of experience in mining operations, including leadership roles at Thriveni Earthmovers, India Cements, Neyveli Lignite Corporation and L&T ECC; appointed as Executive Director on 8th August 2023 to lead and strengthen the Company's mining operations.
 <b>Mr. Riyaz Shaikh</b>	Chief Financial Officer	Holds an MBA in Finance from the Institute for Technology and Management (ITM), Mumbai.	More than 25 years of experience in finance roles covering accounting, budgeting, treasury, financial controls, statutory reporting and audit management across manufacturing and infrastructure-linked businesses.

Source: LLOYDSME, Choice Institutional Equities

**6.6 Shareholding Pattern**

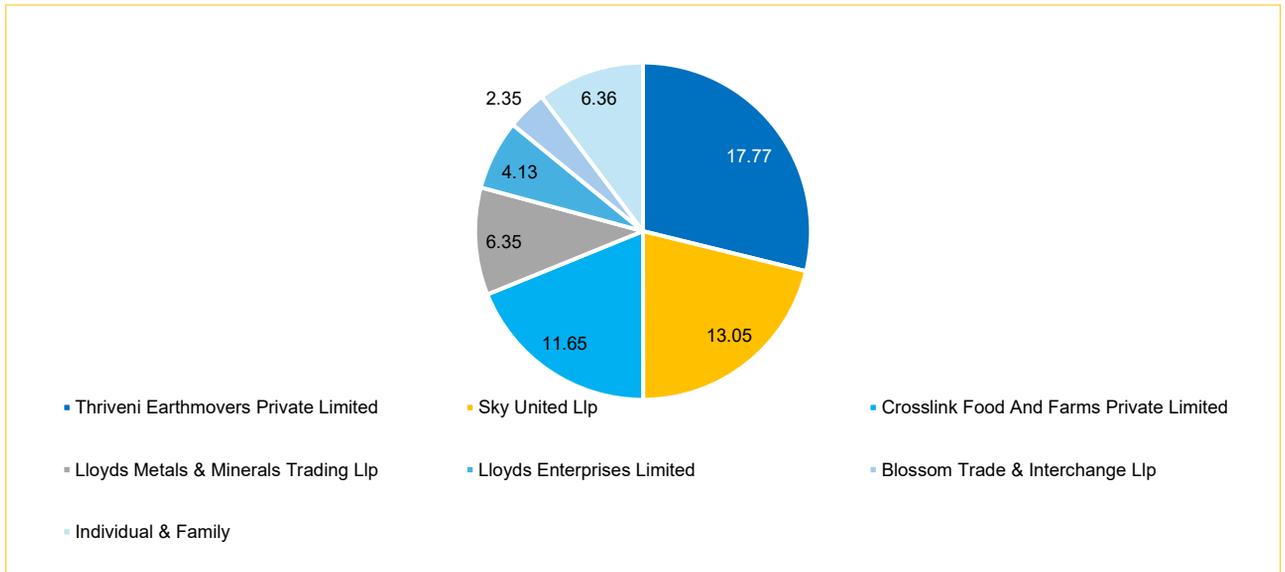
Shareholding	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	65.75%	65.75%	65.69%	65.69%	65.69%	63.48%	63.48%	63.44%	63.44%	63.05%	63.73%	61.65%
FIs	0.14%	0.25%	0.32%	0.68%	1.10%	1.95%	1.97%	2.10%	2.18%	2.30%	1.89%	2.23%
DIs	0.00%	0.02%	0.00%	0.06%	0.07%	1.26%	1.75%	1.93%	2.07%	2.10%	1.85%	1.74%
Public	34.09%	33.98%	33.88%	33.51%	33.09%	33.28%	32.78%	32.49%	32.28%	32.53%	32.39%	34.35%
Others	0.00%	0.00%	0.08%	0.04%	0.02%	0.03%	0.01%	0.03%	0.02%	0.02%	0.13%	0.03%
No. of Shareholders	22,770	29,844	31,607	33,891	37,806	62,762	1,14,240	1,20,648	1,16,161	1,18,934	1,13,593	1,14,629

**Shareholding Pattern as of Mar'26**



Source: Screener, Choice Institutional Equities

**Breakdown of Promoter shareholding (%)**



Source: Screener, Choice Institutional Equities

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<b>Large Cap*</b>	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
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