



LLOYDS STEELS INDUSTRIES LIMITED

Disclosures with respect to Compliance to section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“the Regulations”), as on 31st March, 2023:

(A) Relevant disclosures in terms of the ‘Guidance note on accounting for employee share-based payments’ issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time.

However, during the Year company has granted 1,00,61,000 options in total to eligible employees and out of which nothing has been vested during the year.

(B) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33.

0.36

(C) Details related to “LLOYDS STEELS ESOP – 2021”

i. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –

A	Date Of Shareholders Approval	24 th January,2022
B	Total number of options approved under the scheme	4,40,00,000
C	Vesting requirements	<p>The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 7 (Seven) years. The vesting schedule shall be mentioned in the Grant letter as may be decided by the Committee subject to maximum period of 7 (Seven) years.</p> <p>The Committee shall have the power to modify the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) year between the grant and first vesting.</p>
d	Exercise price	The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the company are listed one day before the date

		<p>of the meeting of the Committee wherein the grants of options will be approved.</p> <p>The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the par value of Equity Share of the Company.</p> <p>Further Committee may reprice the options, which are not exercised, whether or not they have been vested, if the schemes were rendered unattractive due to fall in the price of the shares in the stock market.</p>
E	Maximum term of options granted	The vesting schedule shall be mentioned in the Grant letter as may be decided by the Committee subject to maximum period of 7 (Seven) years.
F	Source of shares (primary, secondary or combination)	Primary
G	Variation in terms of options	None

ii. **Method used for accounting of ESOP- Intrinsic or fair value.** Fair Value

iii. **Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.**

Not Applicable

iv. **Option movement during the year (For "LLOYDS STEELS ESOP -2021")**

Particulars	Details
Number of options outstanding as on 01/04/2022	-
Number of options granted during the year	1,00,61000
Number of options forfeited / lapsed during the year	2,09,000
Number of options vested during the year	-
Number of options exercised during the year	-
Number of shares arising as a result of exercise of options	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-

Loan repaid by the Trust during the year from exercise price received	-
Number of options outstanding as on 31/03/2023	98,52,000
Number of options exercisable as on 31/03/2023	-

v. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. –

Weighted Average Exercise Price is Rs.7.50 per option and Weighted average fair value of options is Rs. 10.68 for 1,00,61,000 options granted on 27th October, 2022.

vi. Employee wise details of options granted during the year:

(a) Key managerial personnel and senior managerial personnel – **33,51,000 (Refer Annexure – i)**

(b) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year – **Nil**

(c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – **Nil**

vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The fair value of the options was estimated on the date of grant using the Black Scholes Model with the following assumptions

A	the weighted-average values of exercise price	Weighted average exercise price per Option: Rs. 7.50 per option.
B	the weighted-average values of Historical volatility	For Options granted on 27 th October, 2022 Vest 1- 27 th Oct, 2023 :- 70.57% Vest 2- 31 st March, 2024:- 81.55% Vest 3- 31 st March, 2025:- 86.62% Vest 4- 31 st March, 2026:- 81.19%
C	the weighted-average values of expected option life	For Options granted on 27 th October, 2022 Vest 1- 27 th Oct, 2023 :- 2.50 Years Vest 2- 31 st March, 2024:-2.93 Years Vest 3- 31 st March, 2025:- 3.93 Years Vest 4- 31 st March, 2026:- 4.93 Years
D	the weighted-average values of expected dividends	-

E	the weighted-average values of the risk-free interest rate	For Options granted on 27 th October, 2022 Vest 1- 27 th Oct, 2023 :- 6.96% Vest 2- 31 st March, 2024:- 7.06% Vest 3- 31 st March, 2025:- 7.20% Vest 4- 31 st March, 2026:- 7.28%
F	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable
G	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The measure volatility is used in the Black Scholes option-pricing model is the annualised standard deviation of the continuously compounded rate of the return of the stock over a period of time. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. There is no research that demonstrates conclusively how long the historical period used to estimate expected long term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued. Since equity shares are listed hence for the purpose of calculating volatility, volatility of shares based on the expected life is considered.
H	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not Applicable

Disclosures in respect of grants made in three years prior to IPO under each ESOS

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made

Not Applicable

Annexure- I**Employee wise details of options granted to senior managerial personnel**

Name of Senior Managerial Personnel	Designation	Number of Options granted till 31st March, 2023	Exercise Price	Options Lapsed till 31st March,2023
Kalpesh Agrawal	Chief Financial Officer	1,150,000	7.50	Nil
Sudhir Kumar Dwivedi	Chief Operating Officer	1,106,000	7.50	Nil
Sameer Tawade	Chief Operating Officer	1,005,000	7.50	Nil
Meenakshi Pansari	Company Secretary & Compliance Officer	90,000	7.50	Nil
Total		33,51,000		Nil