

**Monnet Ispat & Energy Limited announces Q4FY12 and FY12 results**

**Total Income for FY12 achieves the benchmark figure of Rs 2000 crore**

(Rs. In Crore)

Particulars	Q4 FY12	Q4FY11	change	FY12	FY11	change
<b>Total Income</b>	<b>586.05</b>	<b>481.59</b>	<b>21.69%</b>	<b>2063.55</b>	<b>1691.33</b>	<b>22%</b>
<b>EBITDA</b>	<b>138.22</b>	<b>128.57</b>	<b>7.50%</b>	<b>499.13</b>	<b>448.90</b>	<b>11.19%</b>
<b>Depreciation</b>	<b>18.85</b>	<b>18.04</b>	<b>4.46%</b>	<b>75.11</b>	<b>73.86</b>	<b>1.69%</b>
<b>Interest</b>	<b>24.27</b>	<b>18.09</b>	<b>34.16%</b>	<b>67.94</b>	<b>43.57</b>	<b>55.93%</b>
<b>PAT</b>	<b>83.09</b>	<b>76.57</b>	<b>8.52%</b>	<b>306.23</b>	<b>281.18</b>	<b>8.91%</b>

**New Delhi, May 14, 2012:** Monnet Ispat & Energy Limited (MIEL) a flagship company of Monnet Group, the second largest coal-based sponge iron producer in the country announced its fourth quarter and annual results for the financial year 2011-2012.

**Financial Update**

For the fourth quarter ended March 31, 2012, MIEL reported a gross turnover of Rs. 586.05 crore as against Rs 481.59 crore in the corresponding quarter registering a growth of 21.69%. The operating profit stood at Rs 138.22 crore, registering an increase of 7.50% as compared to Rs 128.57 crore in the corresponding quarter. Net profit for Q4FY12 stood at Rs 83.09 crore, registering an increase of 8.52% as compared to Rs 76.57 crore in Q4FY11.

For the year ended March 31, 2012, MIEL reported a gross turnover of Rs. 2063.55 crore as against Rs 1691.33 crore in the corresponding year registering a growth of 22%. The operating profit stood at Rs 499.13 crore, registering an increase of 11.19% as compared to Rs 448.90 crore in FY11. Net profit for FY12 stood at Rs 306.23 crore, registering an increase of 8.91% as compared to Rs 281.8 crore in FY11.

The commodity sector including the steel sector is facing the tremors of the slowing economy. There has been an increase in raw material prices globally and locally which has

had a resultant impact on increasing the prices of sponge iron and steel. However, the margins of the industry have not changed with the appreciation in the prices of steel and sponge iron.

It is however, important to note that industry is set to go through challenging times on account of gradual decline in the investment cycle of the country. Therefore it is imperative to tighten the belts on the cost side and run the operations at most effective and efficient levels of capacities.

The same is manifested by the performance of the company in the last quarter.

### **Expansion Update**

The expansion in the 1.5 MTPA integrated steel project at Raigarh is progressing well. The power plant of 80 MW has been completed and the other modules of steel plant starting from bar mill are expected to roll out for commercial operation from June - July 2012 onwards.

Similarly the implementation of the power plant of 1050 MW is also progressing as per schedule at Angul and is expected to be operational in the second half of FY 2014. Further the company has already started for the tying up of the debt for 660 MW plant proposed to be set up at the same location. It is reiterated that the company has the land and the coal available for the complete 1710 MW capacity.

### **Appointment of Chairman of the Board**

Mr. Sandeep Jajodia, the Executive Vice Chairman and Managing Director, MIEL has been unanimously appointed as the **Chairman and Managing Director of Monnet Ispat & Energy Limited**. The position of the Chairman in Non Executive capacity was held by Mr. M.S. Gujral who has left for heavenly abode on May 4, 2012.

### **Appointment of Additional Directors**

The company has appointed Mr. Amit Dixit and Mr. Vikram Deswal to the Board of Directors.

**Mr. Amit Dixit**, is a Senior Managing Director of Private Equity at Blackstone India Advisors and was associated with Warburg Pincus for more than five years before joining Blackstone India. An MBA from Harvard Business School has done his M.S. Engineering from Stanford University, and has been awarded John A. Blum fellowship. He holds a bachelor degree of B.Tech from IIT Bombay.

**Mr. Vikram Deswal** presently is Managing Partner and Chief Investment Officer at East Bridge Capital Management Ltd., Boston, Massachusetts, USA and was previously a Vice President at JM Morgan Stanley and Principal; Director-India Investments at Highfields Capital Management. Mr. Deswal holds an MBA degree from IIM Lucknow and The Wharton School, University of Pennsylvania, USA and holds a graduate degree from Institute of Technology, Varanasi. Mr Vikram Deswal has been looking after investments in India from these funds for a very long time and has intimate understanding about the Indian economy and steel industry in particular. Mr. Deswal would be the first director on the board of the company residing outside of India.

Their induction on the board would be of strategic importance to the company owing to their rich background and understanding of the businesses and the financial markets. Their appointment along with the current appointee Mr. Ajay Relan who represents CX Partners is aimed to make a broader representation to the investors of the company in particular and other stakeholders.

**Commenting on the results, Mr. Sandeep Jajodia, Chairman & Managing Director, MIEL, said, “The company has closed the financial year 2011 – 12 with an annual turnover of more than Rs. 2000 crore. Going forward the next two financial years would be challenging and exciting at the same time as our focus would be on commissioning our 1.5 MTPA integrated steel plant and 1050 MW power plant which will take the company to a different level of size and substance.”**

**About Monnet Group:**

**Monnet Ispat & Energy Limited (MIEL):** MIEL is promoted by Mr. Sandeep Jajodia. Its principal activities include manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys. In addition, MIEL is engaged in mining of mineral assets like coal & iron ore and is also involved in the generation of power for captive consumption. The Monnet Group has manufacturing facilities in Raipur and Raigarh in Chhattisgarh and is currently in the midst of implementing a 1.5 Million Tons integrated steel plant to produce plates,

structural and rebar's at its facility at Raigarh in Chhattisgarh to cater to the high growth infrastructure sector. MIEL through its subsidiary is now making measure of forays in the development of Merchant Power Plants and is currently implementing the first 1050 MW power plant at Angul.

**Monnet Power Company Limited (MPCL):** MPCL is currently executing thermal power plant of IPP of 1050 MW backed with pit head captive coal mine in Angul, Orissa. The project consists of 2 units of 525 MW to be supplied by BHEL. The project has all its statutory approvals & clearances in place and has achieved financial closure. The capacity is further being enhanced to 1710 MW by adding additional 660 MW at the same sites

**Monnet Global Limited (MGL):** MGL a wholly owned subsidiary of Monnet Ispat & Energy Limited having offices in Dubai, Jakarta and Johannesburg (South Africa), does all the global acquisitions and mergers for the Group.

**Forward-Looking Statements:-** *This report contains forward –looking statements, which may be identified by their use of words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company’s strategy for growth, market position, expenditures, and financial results, are forward –looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company’s actual results, performance or achievements could thus differ materially from those projected in any such forward – looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*

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