



# Monnet Ispat & Energy Limited

Corporate Office : MONNET HOUSE, 11 Masjid Moth, Greater Kailash Part II, New Delhi-110 048 (INDIA)  
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CIN No. : L02710CT1990PLC009826

## E-mail / Online Upload Copy

MIEL/CS/2015-16/MH/

May 29, 2015

DGM-Deptt. of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
MUMBAI-400001

Listing Department  
National Stock Exchange of India  
'Exchange Plaza', Bandra Kurla Complex,  
MUMBAI-400051

Listing Department  
Calcutta Stock Exchange Limited  
"7, Lyons Range,  
KOLKATA-700001

BSE Scrip Code : 513446 / NSE Scrip Code : MONNETISPA

## SUB : AUDITED FINANCIAL RESULTS

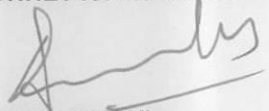
Dear Sir,

In compliance of Clause 41 of the Listing Agreement, executed by the Company with your Stock Exchange, we are enclosing herewith Audited Standalone and Consolidated Financial Results and Audited Annual Segment Information and Standalone and Consolidated Statement of Assets and Liabilities and the Auditors' Report for the quarter and year ended on 31<sup>st</sup> March, 2015.

You are requested to take the above information on record and publish the same for the information of Brokers, Members and Investors.

Thanking you,

Yours faithfully,  
for **MONNET ISPAT & ENERGY LIMITED**

  
(HARDEEP SINGH)  
COMPANY SECRETARY

Encl. : as above



# MONNET ISPAT & ENERGY LIMITED

Corporate Office : MONNET HOUSE, 11 Masjid Moth, Greater Kailash Part II, New Delhi - 110048

Regd. Office : Monnet Marg, Mandir Hasaud, Raipur - 492 101 (Chhattisgarh)

Tel. No. 011-29218542-46; Fax : 011-29218541 E-mail-isc\_miel@monnetgroup.com

www.monnetgroup.com CIN No. L02710CT1990PLC009826

## STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH, 2015

Part - I

(₹ In Crores except for Share Data)

| Particulars |                                                                                                                           | STANDALONE                   |                              |                              |                               |                               | CONSOLIDATED                  |                               |
|-------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|             |                                                                                                                           | 3 Months ended<br>31.03.2015 | 3 Months ended<br>31.12.2014 | 3 Months ended<br>31.03.2014 | 12 Months ended<br>31.03.2015 | 12 Months ended<br>31.03.2014 | 12 Months ended<br>31.03.2015 | 12 Months ended<br>31.03.2014 |
|             |                                                                                                                           | Audited                      | Unaudited                    | Audited                      | Audited                       | Audited                       | Audited                       | Audited                       |
| 1           | Income from Operations                                                                                                    |                              |                              |                              |                               |                               |                               |                               |
|             | (a) Net Sales/Income from Operations (Net of excise duty)                                                                 | 699.64                       | 765.30                       | 656.65                       | 3173.22                       | 2267.94                       | 3242.15                       | 2292.71                       |
|             | (b) Other Operating Income                                                                                                | 4.07                         | 12.79                        | 3.22                         | 38.56                         | 41.83                         | 29.41                         | 52.61                         |
|             | Total Income from operations (net)                                                                                        | 703.71                       | 778.09                       | 659.87                       | 3211.78                       | 2309.77                       | 3271.56                       | 2345.32                       |
| 2           | Expenses                                                                                                                  |                              |                              |                              |                               |                               |                               |                               |
|             | (a) Cost of Materials consumed                                                                                            | 443.72                       | 568.48                       | 591.39                       | 2364.77                       | 1757.41                       | 2357.78                       | 1695.71                       |
|             | (b) Purchase of stock-in-trade                                                                                            | 0.00                         | 0.00                         | 0.00                         | 0.00                          | 0.00                          | 0.00                          | 0.00                          |
|             | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                                         | 203.14                       | 2.45                         | (144.98)                     | (21.67)                       | (278.76)                      | (22.18)                       | (258.69)                      |
|             | (d) Employee benefits expenses                                                                                            | 45.73                        | 52.58                        | 51.43                        | 194.13                        | 143.53                        | 206.32                        | 153.76                        |
|             | (e) Depreciation and amortization expense                                                                                 | 101.25                       | 61.71                        | 55.57                        | 281.44                        | 138.73                        | 288.41                        | 143.77                        |
|             | (f) Other expenses(Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately) | 152.52                       | 113.96                       | 116.48                       | 522.67                        | 263.42                        | 616.30                        | 324.39                        |
|             | Total Expenses                                                                                                            | 946.36                       | 799.18                       | 669.89                       | 3341.34                       | 2024.33                       | 3446.63                       | 2058.94                       |
| 3.          | Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)                            | (242.65)                     | (21.09)                      | (10.02)                      | (129.56)                      | 285.44                        | (175.07)                      | 286.38                        |
| 4           | Other Income                                                                                                              | 15.89                        | 11.83                        | 2.96                         | 46.63                         | 51.06                         | 35.26                         | 32.88                         |
| 5           | Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)                               | (226.76)                     | (9.26)                       | (7.06)                       | (82.93)                       | 336.50                        | (139.81)                      | 319.26                        |
| 6           | Finance Costs                                                                                                             | 264.29                       | 148.58                       | 99.77                        | 652.87                        | 239.38                        | 670.46                        | 249.48                        |
| 7           | Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)                         | (491.05)                     | (157.84)                     | (106.83)                     | (735.80)                      | 97.12                         | (810.27)                      | 69.78                         |
| 8           | Exceptional Items                                                                                                         | (6.27)                       | (246.64)                     | 0.00                         | (252.91)                      | 0.00                          | (252.92)                      | 0.00                          |
| 9           | Profit / (Loss) from ordinary activities before tax (7 + 8)                                                               | (497.32)                     | (404.48)                     | (106.83)                     | (988.71)                      | 97.12                         | (1063.19)                     | 69.78                         |
| 10          | Tax expense                                                                                                               | (5.00)                       | (161.67)                     | (13.86)                      | (192.83)                      | 30.49                         | (193.88)                      | 32.46                         |
| 11          | Net Profit / (Loss) from ordinary activities after tax (9 + 10)                                                           | (492.32)                     | (242.81)                     | (92.97)                      | (795.88)                      | 66.63                         | (869.31)                      | 37.32                         |
| 12          | Extraordinary items (net of tax expense ₹ Crores)                                                                         | 0.00                         | 0.00                         | 0.00                         | 0.00                          | 0.00                          | 0.00                          | 0.00                          |
| 13          | Net Profit / (Loss) for the period (11 + 12)                                                                              | (492.32)                     | (242.81)                     | (92.97)                      | (795.88)                      | 66.63                         | (869.31)                      | 37.32                         |
| 14          | Share of Profit / (Loss) of associates                                                                                    |                              |                              | 0.00                         |                               | 0.00                          |                               | 0.00                          |
| 15          | Minority Interest                                                                                                         |                              |                              | 0.00                         |                               | 0.00                          |                               | 0.00                          |
| 16          | Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15)              |                              |                              |                              |                               | 0.00                          | (12.38)                       | (0.28)                        |
| 17          | Paid-up equity share capital<br>(Face Value ₹10/- per Share fully paid-up)                                                | 65.83                        | 65.83                        | 65.83                        | 65.83                         | 65.83                         | 65.83                         | 65.83                         |
| 18          | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year                                  |                              |                              |                              | 1776.85                       | 2598.80                       | 0.00                          | 2710.88                       |
| 19          | Earnings Per Share (EPS) (being same before and after extraordinary items) of ₹ 10/- each (not Annualized)                |                              |                              |                              |                               |                               |                               |                               |
|             | (a) Basic                                                                                                                 | ₹ (76.86)                    | ₹ (36.89)                    | ₹ (14.39)                    | ₹ (122.98)                    | ₹ 8.25                        | ₹ (130.18)                    | ₹ 3.67                        |
|             | (b) Diluted                                                                                                               | ₹ (76.86)                    | ₹ (36.89)                    | ₹ (14.39)                    | ₹ (122.98)                    | ₹ 8.10                        | ₹ (130.18)                    | ₹ 3.60                        |

### Part - II Select information for the quarter and year ended 31<sup>st</sup> March, 2015

| PARTICULARS OF SHAREHOLDING                                                              |          |          |          |          |          |          |          |
|------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| <b>1. Public Shareholding</b>                                                            |          |          |          |          |          |          |          |
| - Number of Shares                                                                       | 33842840 | 33842840 | 33842840 | 33842840 | 33842840 | 33842840 | 33842840 |
| - Percentage of shareholding                                                             | 51.41    | 51.41    | 51.41    | 51.41    | 51.41    | 51.41    | 51.41    |
| <b>2. Promoter and Promoter Group Shareholding</b>                                       |          |          |          |          |          |          |          |
| <b>a) Pledged/ Encumbered</b>                                                            |          |          |          |          |          |          |          |
| - Number of Shares                                                                       | Nil      | Nil      | Nil      | Nil      | Nil      | Nil      | Nil      |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) |          |          |          |          |          |          |          |
| - Percentage of shares (as a % of the total share capital of the company)                |          |          |          |          |          |          |          |
| <b>b) Non Encumbered</b>                                                                 |          |          |          |          |          |          |          |
| - Number of Shares                                                                       | 31982841 | 31982841 | 31982841 | 31982841 | 31982841 | 31982841 | 31982841 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00   | 100.00   | 100.00   | 100.00   | 100.00   | 100.00   | 100.00   |
| - Percentage of shares (as a % of the total share capital of the company)                | 48.59    | 48.59    | 48.59    | 48.59    | 48.59    | 48.59    | 48.59    |

| Particulars                                    | 3 months ended<br>(31.03.2015) |
|------------------------------------------------|--------------------------------|
| <b>B INVESTOR COMPLAINTS</b>                   |                                |
| Pending at the beginning of the quarter        | 8                              |
| Received during the quarter                    | 86                             |
| Disposed off during the quarter                | 89                             |
| Remaining unresolved at the end of the quarter | 5                              |

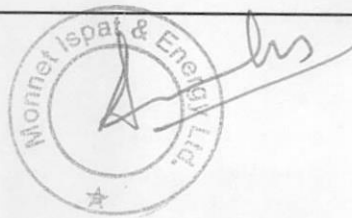
#### Notes :

- The above Financial Results have been reviewed by the Audit Committee in its meeting held on 29th May, 2015 and then approved by the Board of Directors in its meeting held on 29th May, 2015
- During the year, company paid penalty of coal block de-allocation under the order of Supreme Court aggregating to Rs.252.91 Crores for the period 2004-05 to 2014-15, the same is written off on an exceptional items in Profit & Loss for the year 2014-15.
- The consolidated accounts have been prepared as per Accounting Standard (AS) 21 on Consolidated Financial Statements and Accounting Standard (AS) 23 on Accounting for Investments in Associates in Consolidated Financial Statements notified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014.
- The figures of quarter ended 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures (unaudited) upto the third quarter of the relevant financial year.
- The figures of Standalone and Consolidated Audited Statement of Assets and Liabilities are given below.
- Previous year figures have been reworked / re-grouped/ re-arranged, wherever necessary, to confirm with those of current year classification / disclosure.

for MONNET ISPAT & ENERGY LIMITED

Place : New Delhi  
Date : 29th May, 2015

Sd/-  
(SANDEEP JAJODIA)  
CHAIRMAN & MANAGING DIRECTOR



**MONNET ISPAT & ENERGY LIMITED**

Corporate Office : MONNET HOUSE, 11 Masjid Moth, Greater Kailash Part II, New Delhi - 110048

Regd. Office : Monnet Marg, Mandir Hasaud, Raipur - 492 101 (Chhattisgarh)

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www.monnetgroup.com

CIN No. L02710CT1990PLC009826

**AUDITED SEGMENT-WISE REVENUE, RESULTS, CAPITAL EMPLOYED FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2015**

(₹ in Crores)

| Sl. No. | Particulars                                                                                          | STANDALONE               |                          |                          |                            |                            | CONSOLIDATED               |                            |
|---------|------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|         |                                                                                                      | Quarter ended 31.03.2015 | Quarter ended 31.12.2014 | Quarter ended 31.03.2014 | 12 months ended 31.03.2015 | 12 months ended 31.03.2014 | 12 months ended 31.03.2015 | 12 months ended 31.03.2014 |
|         |                                                                                                      | Audited                  | Unaudited                | Audited                  | Audited                    | Audited                    | Audited                    | Audited                    |
| 1       | <b>Segment Revenue</b><br>(Net Sales / Income from each segment should be disclosed under this head) |                          |                          |                          |                            |                            |                            |                            |
|         | (a) Power                                                                                            | 81.67                    | 84.30                    | 107.37                   | 423.70                     | 323.07                     | 394.46                     | 443.06                     |
|         | (b) Steel                                                                                            | 700.37                   | 769.07                   | 650.53                   | 3156.92                    | 2186.84                    | 3134.14                    | 1981.60                    |
|         | (c) Unallocated                                                                                      | 0.00                     | 0.00                     | 0.00                     | 0.00                       | 0.00                       | 85.94                      | 0.00                       |
|         | <b>Total</b>                                                                                         | 782.04                   | 853.37                   | 757.90                   | 3580.62                    | 2509.91                    | 3614.54                    | 2424.66                    |
|         | Less : Inter Segment Revenue                                                                         | 78.34                    | 75.28                    | 98.03                    | 368.84                     | 200.14                     | 342.98                     | 79.34                      |
|         | <b>Net Sales / Income From Operations</b>                                                            | 703.70                   | 778.09                   | 659.87                   | 3211.78                    | 2309.77                    | 3271.56                    | 2345.32                    |
| 2       | <b>Segment Results (Profit) (+) / Loss (-) before tax and interest from each segment)</b>            |                          |                          |                          |                            |                            |                            |                            |
|         | (a) Power                                                                                            | 4.85                     | (0.19)                   | 21.29                    | (0.99)                     | 44.79                      | 123.80                     | 68.10                      |
|         | (b) Steel                                                                                            | (240.13)                 | (249.20)                 | (31.31)                  | (335.07)                   | 240.65                     | (553.64)                   | 218.28                     |
|         | (c) Unallocated                                                                                      | 0.00                     | 0.00                     | 0.00                     | 0.00                       | 0.00                       | (27.56)                    | 0.00                       |
|         | <b>Total</b>                                                                                         | (235.28)                 | (249.39)                 | (10.02)                  | (336.06)                   | 285.44                     | (457.40)                   | 286.38                     |
|         | <b>Less :</b>                                                                                        |                          |                          |                          |                            |                            |                            |                            |
|         | i) Financial Charges                                                                                 | 264.29                   | 148.58                   | 99.77                    | 652.87                     | 239.38                     | 670.46                     | 249.48                     |
|         | ii) Un-allocable Expenditure net off                                                                 | 0.00                     | 0.00                     | 0.00                     | 0.00                       | 0.00                       | 0.00                       | 0.00                       |
|         | ii) Un-allocable income                                                                              | 2.25                     | (6.51)                   | 2.96                     | 0.22                       | 51.06                      | 64.67                      | 32.88                      |
|         | <b>Total Profit Before Tax</b>                                                                       | (497.32)                 | (404.48)                 | (106.83)                 | (988.71)                   | 97.12                      | (1063.19)                  | 69.78                      |
| 3       | <b>Capital Employed</b><br>(Segment assets - Segment Liabilities)                                    |                          |                          |                          |                            |                            |                            |                            |
|         | (a) Power                                                                                            | 453.61                   | 437.50                   | 363.34                   | 453.61                     | 363.34                     | 5148.19                    | 4524.19                    |
|         | (b) Steel                                                                                            | 1564.08                  | 2098.59                  | 2476.31                  | 1564.08                    | 2476.31                    | 7316.79                    | 8667.36                    |
|         | (c) Unallocated                                                                                      | 0.00                     | 0.00                     | 0.00                     | 0.00                       | 0.00                       | (10398.44)                 | (10229.82)                 |
|         | <b>Total</b>                                                                                         | 2017.69                  | 2536.09                  | 2839.65                  | 2017.69                    | 2839.65                    | 2066.54                    | 2961.73                    |



**MONNET ISPAT & ENERGY LIMITED**  
**AUDITED STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(₹ in Crore)

| Particulars                                        | STANDALONE                              |                                          | CONSOLIDATED                            |                                          |
|----------------------------------------------------|-----------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                    | As at current<br>year end<br>31.03.2014 | As at previous<br>year end<br>31.03.2014 | As at current<br>year end<br>31.03.2015 | As at previous<br>year end<br>31.03.2014 |
| <b>A EQUITY AND LIABILITIES</b>                    |                                         |                                          |                                         |                                          |
| <b>1 Shareholder's Funds</b>                       |                                         |                                          |                                         |                                          |
| (a) Share Capital                                  | 240.84                                  | 240.84                                   | 240.84                                  | 250.84                                   |
| (b) Reserves and surplus                           | 1776.85                                 | 2598.80                                  | 1825.70                                 | 2710.88                                  |
| (b) Money received against share warrants          | 0.00                                    | 0.00                                     | 0.00                                    | 0.00                                     |
| <b>Sub-total - Shareholders' Funds</b>             | <b>2017.69</b>                          | <b>2839.64</b>                           | <b>2066.54</b>                          | <b>2961.72</b>                           |
| <b>2 Share Application Money pending allotment</b> | <b>0.00</b>                             | <b>0.00</b>                              | <b>0.00</b>                             | <b>0.00</b>                              |
| <b>3 Minority Interest</b>                         | <b>0.00</b>                             | <b>0.00</b>                              | <b>129.80</b>                           | <b>131.18</b>                            |
| <b>4 Non-current Liabilities</b>                   |                                         |                                          |                                         |                                          |
| (a) Long-term borrowings                           | 4999.34                                 | 5377.26                                  | 9393.43                                 | 9211.16                                  |
| (b) Deferred tax liabilities (net)                 | 0.00                                    | 192.89                                   | 0.00                                    | 194.60                                   |
| (c) Other Long Term liabilities                    | 0.00                                    | 0.00                                     | 0.00                                    | 0.00                                     |
| (d) Long-term provisions                           | 8.90                                    | 7.35                                     | 82.31                                   | 8.72                                     |
| <b>Sub-total - Non-current Liabilities</b>         | <b>5008.24</b>                          | <b>5577.50</b>                           | <b>9605.54</b>                          | <b>9545.66</b>                           |
| <b>5 Current Liabilities</b>                       |                                         |                                          |                                         |                                          |
| (a) Short-term borrowings                          | 1645.55                                 | 985.09                                   | 1682.03                                 | 996.60                                   |
| (b) Trade payables                                 | 419.80                                  | 228.55                                   | 427.64                                  | 241.46                                   |
| (c) Other current liabilities                      | 1946.53                                 | 1035.44                                  | 2703.35                                 | 1681.19                                  |
| (d) Short-term provisions                          | 0.73                                    | 21.08                                    | 1.31                                    | 21.08                                    |
| <b>Sub-total - Current Liabilities</b>             | <b>4012.61</b>                          | <b>2270.16</b>                           | <b>4814.33</b>                          | <b>2940.33</b>                           |
| <b>TOTAL - EQUITY AND LIABILITIES</b>              | <b>11038.54</b>                         | <b>10687.30</b>                          | <b>16486.41</b>                         | <b>15447.71</b>                          |
| <b>B ASSETS</b>                                    |                                         |                                          |                                         |                                          |
| <b>1 Non-current Assets</b>                        |                                         |                                          |                                         |                                          |
| (a) Fixed assets                                   | 7158.67                                 | 6566.46                                  | 12940.29                                | 11450.22                                 |
| (b) Goodwill on consolidation *                    | 0.00                                    | 0.00                                     | 263.40                                  | 261.37                                   |
| (c) Non-current investments                        | 1143.62                                 | 1066.77                                  | 94.26                                   | 101.39                                   |
| (d) Deferred tax assets (net)                      | 0.00                                    | 0.00                                     | 0.00                                    | 0.00                                     |
| (e) Long-term loans and advances                   | 404.10                                  | 737.77                                   | 734.09                                  | 1100.43                                  |
| (f) Other non-current assets                       | 55.94                                   | 73.54                                    | 103.32                                  | 110.96                                   |
| <b>Sub-total - Non-current Assets</b>              | <b>8762.33</b>                          | <b>8444.54</b>                           | <b>14135.36</b>                         | <b>13024.37</b>                          |
| <b>2 Current Assets</b>                            |                                         |                                          |                                         |                                          |
| (a) Current investments                            | 0.00                                    | 0.10                                     | 0.00                                    | 0.10                                     |
| (b) Inventories                                    | 1033.71                                 | 1067.16                                  | 1040.01                                 | 1074.05                                  |
| (c) Trade receivables                              | 245.26                                  | 215.04                                   | 447.10                                  | 418.77                                   |
| (d) Cash and cash equivalents                      | 242.03                                  | 88.35                                    | 266.19                                  | 126.83                                   |
| (e) Short-term loans and advances                  | 752.27                                  | 857.32                                   | 593.50                                  | 787.98                                   |
| (f) Other Current assets                           | 2.94                                    | 14.89                                    | 4.25                                    | 15.71                                    |
| <b>Sub-total - Current Assets</b>                  | <b>2276.21</b>                          | <b>2242.86</b>                           | <b>2351.05</b>                          | <b>2423.44</b>                           |
| <b>TOTAL - ASSETS</b>                              | <b>11038.54</b>                         | <b>10687.40</b>                          | <b>16486.41</b>                         | <b>15447.81</b>                          |





**O. P. BAGLA & CO.**

CHARTERED ACCOUNTANTS

Phone : 26436190  
26412939  
26239913  
Fax : 011-26239912

E-mail : admin@opbco.in

Website : www.opbco.in

8/12, KALKAJI EXTENSION  
NEW DELHI - 110019

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MONNET ISPAT AND ENERGY LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **MONNET ISPAT AND ENERGY LIMITED (the "Company")**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

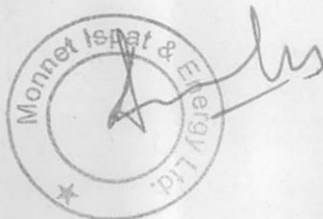
### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements



Contd..2..



**O. P. BAGLA & CO.**  
CHARTERED ACCOUNTANTS

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8/12, KALKAJI EXTENSION  
NEW DELHI - 110019

-: 2 :-

that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note no. 47 (a) and (b) regarding cancellation of coal blocks and impact thereof in the financial statements.

Our opinion is not modified in respect of these matters.

**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

Contd..3..





**O. P. BAGLA & CO.**

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8/12, KALKAJI EXTENSION

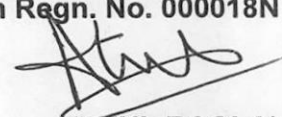
NEW DELHI - 110019

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2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
    - ii. In our opinion and as per the information and explanations provided to us, the Company has made appropriate provision regarding long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses during the year.
    - iii. The Company has deposited the amounts, required to be transferred, to the Investor Education and Protection Fund. However there was some delay in transferring the amounts to the fund.

For O P BAGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000018N



  
(ATUL BAGLA)  
PARTNER  
M. No. 091885

PLACE : NEW DELHI

DATED :

29/5/2015



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**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT  
ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015**

1. a) In our opinion, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) As explained to us, major fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account.
2. (a) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials except ores & coal. We were informed that physical verification of the same was difficult due to its volume and loose nature. We were informed that physical verification of ores and coal was made on the basis of volume and density.  
  
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of these stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
(c) In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. The company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act. In our opinion and as informed to us, receipt of the principal amount and interest are regular and there are no overdue amounts as at the end of the year.
4. In our opinion there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.

Contd..2..





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6. The central government has prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act 2013, read with Rules framed thereunder in respect of the manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
7. a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities, except for some delays. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- b) We have been informed that following disputed demands in respect of Income Tax, Excise Duty, Sales Tax and Entry Tax have not been deposited on account of pending appeals as per details given below:

| S.No | Nature of Demand               | Unpaid Amount*<br>(Rs. In Lacs) | Forum where appeal is pending              |
|------|--------------------------------|---------------------------------|--------------------------------------------|
| 1.   | Sales Tax                      | 135.69                          | Deputy Commissioner of Sales Tax (Appeals) |
| 2.   | Entry Tax                      | 102.94                          | Deputy Commissioner of Sales Tax (Appeals) |
| 3.   | Central Excise/<br>Service Tax | 428.09                          | Commissioner Appeals (Central Excise)      |
| 4.   | Central Excise                 | 2820.35                         | CESTAT                                     |
| 5.   | Income Tax                     | 7583.28                         | Commissioner Income Tax (Appeals)          |

\* Basic amount, excluding interest, if any.

- c) In our opinion, and according to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund. However there was some delay in transferring the amounts to the fund.

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8. There are no accumulated losses of the company as at the end of the year. The company has incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given to us by the management, there is a default in repayment of dues to the bank/financial institutions as at the year end, as per detail below :

| Particulars            | Amount        | Period of default |
|------------------------|---------------|-------------------|
| Repayment of Principal | 133.20 Crores | Less than 90 days |
| Payment of Interest    | 59.45 Crores  | Less than 90 days |

10. According to information and explanations given to us the Company has given guarantees for loan taken by others from banks or financial institutions. However, in our opinion, the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
11. According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which the loans were obtained.
12. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company during the year.

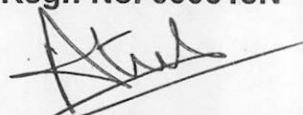
For O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn No. 000018N

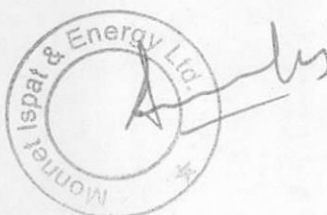
PLACE : NEW DELHI

DATED :

29/5/2015



  
(ATUL BAGLA)  
PARTNER  
M No. 091885





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## INDEPENDENT AUDITOR'S REPORT

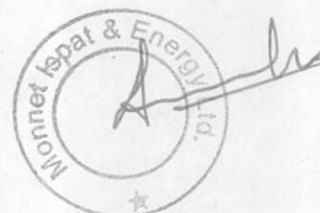
### TO THE MEMBERS OF MONNET ISPAT & ENERGY LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MONNET ISPAT & ENERGY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities and associates, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

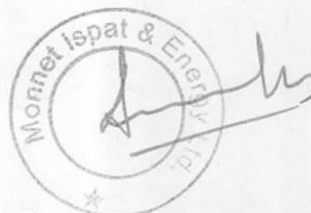
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- (i) in case of the balance sheet, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31 March 2015;
- (ii) in case of the statement of profit and loss, of the consolidated loss for the year ended on that date; and
- (iii) in case of the cash flow statement, of the consolidated cash flows for the year ended on that date.



## Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note no. 45 regarding cancellation of coal blocks and impact thereof in the financial statements.
- b) Note No 28 (d) (iii) (b) in respect of settlement of dues payable to Punjab State Power Corporation Limited.

Our opinion is not modified in respect of these matters.

## Other Matters

We did not audit the financial statements / financial information of the following subsidiary companies, jointly controlled entities and associates whose financial statements / financial information reflect the details given below of assets as at 31<sup>st</sup> March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

| ( ` in lacs)                        |                 |                |                |
|-------------------------------------|-----------------|----------------|----------------|
| Name of the Companies               | Assets          | Total Revenues | Net Cash Flows |
| <b>Subsidiary Companies</b>         |                 |                |                |
| 1) Monnet Global Ltd                | 38888.93        | 71.40          | -31.76         |
| 2) Monnet Overseas Ltd              | 115.63          | -              | -2.36          |
| 3) Monnet Enterprises PTE Ltd       | 1712.92         | -              | 1.24           |
| 4) Chomal Exports Private Limited   | 32.44           | 1.13           | -10.64         |
| <b>Joint Ventures:</b>              |                 |                |                |
| 1) MP Monnet Mining Company Ltd     | 88.00           | -              | -0.25          |
| 2) Mandakini Coal Company Ltd       | 8999.95         | 0.77           | -88.53         |
| 3) Urtan North Mining Company Ltd   | 584.84          | -              | 3.78           |
| 4) Monnet Ecomaister Enviro Pvt Ltd | 4387.14         | 35.41          | -853.58        |
| <b>Total</b>                        | <b>54809.85</b> | <b>108.71</b>  | <b>-982.10</b> |

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid entities, is based solely on such unaudited financial statements / financial information.

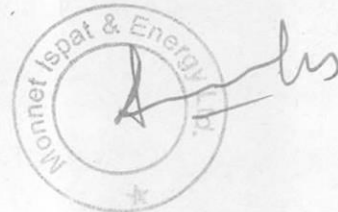
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.



## Report on Other Legal and Regulatory Requirements

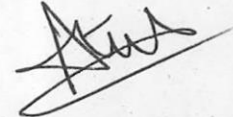
1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Company none of the directors of the Group companies, and its jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities. Refer Note 29 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.



- iii. The holding company, its subsidiary and jointly controlled companies incorporated in India have deposited the amounts, required to be transferred, to the Investor Education and Protection Fund. However there was some delay in transferring the amounts to the fund.

For O P BAGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000018N



(ATUL BAGLA)  
PARTNER  
M. No. 091885

PLACE : NEW DELHI  
DATED : 29.5.2015

