



# Monnet Ispat & Energy Limited

Corporate Office : MONNET HOUSE, 11 Masjid Moth, Greater Kailash Part II, New Delhi-110 048 (INDIA)

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E-mail : monnet@monnetgroup.com

CIN No. : L02710CT1990PLC009826

## E-mail/ Online Upload Copy

MIEL/CS/2017-18/MH/

February 14, 2018

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: Approval of Un-audited Financial Result for Quarter / Nine Months Ended December 31, 2017

Dear Sir,

This is to inform you that as per Section 17 of the Insolvency and Bankruptcy Code, 2016 ('Code'), upon appointment of the Resolution Professional, the powers of the Board of Directors stands suspended and such powers shall be exercised by the Resolution Professional appointed for the Company. Hence, in this regard, pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Resolution Professional on February 14, 2018 has considered and taken on record the unaudited financial result and limited review report for the quarter and nine months ended December 31, 2017.

The un-audited financial statements and limited review report is enclosed herewith.

The Meeting was commenced at 04:30 p.m. and concluded at 05:00 p.m.

You are requested to take the above information on record.

Thanking you,

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

  
(HARDEEP SINGH)  
COMPANY SECRETARY

**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)

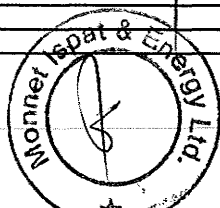
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CIN No. L02710CT1990PLC009826

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2017**

|           |   | ( in Crore, except per share data) |                  |                 |                  |                  |                  |
|-----------|---|------------------------------------|------------------|-----------------|------------------|------------------|------------------|
|           | Particulars   | Quarter Ended                      | Quarter Ended    | Quarter Ended   | Nine Month Ended | Nine Month Ended | Year Ended       |
|           |   | 31.12.2017                         | 30.09.2017       | 31.12.2016      | 31.12.2017       | 31.12.2016       | 31.03.2017       |
|           |   | Unaudited                          | Unaudited        | Unaudited       | Unaudited        | Unaudited        | Audited          |
| <b>1</b>  | <b>Income from Operations</b>   |                                    |                  |                 |                  |                  |                  |
| (a)       | Net Sales/ Income from operations (Net of excise duty)  | 316.75                             | 315.22           | 267.57          | 977.82           | 988.20           | 1372.80          |
| (b)       | Other Operating Income  | 3.73                               | 0.52             | 1.27            | 5.40             | 2.42             | 2.28             |
| <b>2</b>  | <b>Total income from operations (net)</b>   | <b>320.48</b>                      | <b>315.74</b>    | <b>268.84</b>   | <b>983.22</b>    | <b>990.62</b>    | <b>1375.08</b>   |
| <b>3</b>  | <b>Other Income</b>   | <b>1.94</b>                        | <b>2.65</b>      | <b>5.70</b>     | <b>7.03</b>      | <b>28.81</b>     | <b>33.54</b>     |
| <b>4</b>  | <b>Total income (2 + 3)</b>   | <b>322.42</b>                      | <b>318.39</b>    | <b>274.54</b>   | <b>990.25</b>    | <b>1019.43</b>   | <b>1408.62</b>   |
| <b>5</b>  | <b>Expenses</b>   |                                    |                  |                 |                  |                  |                  |
| (a)       | Cost of Materials consumed  | 278.31                             | 247.94           | 194.77          | 768.00           | 696.46           | 943.43           |
| (b)       | Purchase of stock-in-trade  | -                                  | -                | -               | -                | -                | -                |
| (c)       | Changes in inventories of finished goods, work-in-progress and stock-in-trade   | (3.28)                             | 4.52             | 6.66            | (6.70)           | 83.69            | 130.47           |
| (d)       | Employee benefits expense   | 24.05                              | 27.71            | 30.91           | 76.97            | 82.48            | 101.55           |
| (e)       | Finance Costs   | 302.46                             | 278.10           | 277.13          | 871.50           | 817.36           | 1110.45          |
| (f)       | Depreciation and amortization expense   | 89.86                              | 91.17            | 91.26           | 269.69           | 265.55           | 356.36           |
| (g)       | Excise Duty   | -                                  | -                | 28.00           | 35.82            | 100.72           | 137.05           |
| (h)       | Other expenses(Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)                           | 27.62                              | 22.19            | 31.48           | 77.25            | 117.14           | 148.21           |
|           | <b>Total Expenses</b>   | <b>719.02</b>                      | <b>671.63</b>    | <b>660.21</b>   | <b>2092.53</b>   | <b>2163.40</b>   | <b>2927.52</b>   |
| <b>6.</b> | <b>Profit / (Loss) from operations before exceptional items and tax (4-5)</b>   | <b>(396.60)</b>                    | <b>(353.24)</b>  | <b>(385.67)</b> | <b>(1102.28)</b> | <b>(1143.97)</b> | <b>(1518.90)</b> |
| <b>7</b>  | <b>Exceptional Items</b>  | <b>-</b>                           | <b>-</b>         | <b>120.97</b>   | <b>47.62</b>     | <b>130.37</b>    | <b>209.90</b>    |
| <b>8</b>  | <b>Profit / (Loss) from ordinary activities before extraordinary item and tax (6 ± 7)</b>   | <b>(396.60)</b>                    | <b>(353.24)</b>  | <b>(506.64)</b> | <b>(1149.90)</b> | <b>(1274.34)</b> | <b>(1728.80)</b> |
| <b>9</b>  | <b>Extraordinary Items</b>  | <b>-</b>                           | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>10</b> | <b>Profit / (Loss) from ordinary activities before tax (8 ± 9)</b>  | <b>(396.60)</b>                    | <b>(353.24)</b>  | <b>(506.64)</b> | <b>(1149.90)</b> | <b>(1274.34)</b> | <b>(1728.80)</b> |
| <b>11</b> | <b>Tax expense:</b>   |                                    |                  |                 |                  |                  |                  |
| (i)       | Current tax   | -                                  | -                | -               | -                | -                | 5.06             |
| (ii)      | Deferred tax  | -                                  | -                | -               | -                | -                | -                |
| <b>12</b> | <b>Net Profit / (Loss) from continuing operations (10 ± 11)</b>   | <b>(396.60)</b>                    | <b>(353.24)</b>  | <b>(506.64)</b> | <b>(1149.90)</b> | <b>(1274.34)</b> | <b>(1733.86)</b> |
| <b>13</b> | <b>Profit/ (loss) from discontinued operations</b>  | <b>-</b>                           | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>14</b> | <b>Tax expense of discontinued operations</b>   | <b>-</b>                           | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>15</b> | <b>Profit/ (loss) from discontinued operations (after tax) (13-14)</b>  | <b>-</b>                           | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>16</b> | <b>Profit/ (loss) for the period (12+15)</b>  | <b>(396.60)</b>                    | <b>(353.24)</b>  | <b>(506.64)</b> | <b>(1149.90)</b> | <b>(1274.34)</b> | <b>(1733.86)</b> |
| <b>17</b> | <b>Other Comprehensive Income (after tax)</b>   |                                    |                  |                 |                  |                  |                  |
| A.        | (i) Items that will not be reclassified to profit or loss   | 1.24                               | 0.05             | (0.05)          | 1.56             | 0.09             | (4.09)           |
|           | (ii) Income tax relating to items that will not be reclassified to profit and loss  | -                                  | -                | -               | -                | -                | -                |
| B.        | (i) Items that will be reclassified to profit or loss   | -                                  | -                | -               | -                | -                | -                |
|           | (ii) Income tax relating to items that will be reclassified to profit and loss  | -                                  | -                | -               | -                | -                | -                |
| <b>18</b> | <b>Total Comprehensive Income for the period (16+17) comprising profit/ (loss) and other comprehensive income for the period.</b>               | <b>(395.36)</b>                    | <b>(353.19)</b>  | <b>(506.69)</b> | <b>(1148.34)</b> | <b>(1274.25)</b> | <b>(1737.95)</b> |
| <b>19</b> | <b>Paid-up equity share capital (Face Value Rs.10/- per Share fully paid-up)</b>  | <b>200.77</b>                      | <b>200.77</b>    | <b>200.77</b>   | <b>200.77</b>    | <b>200.77</b>    | <b>200.77</b>    |
| <b>20</b> | <b>Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year</b>   | <b>-</b>                           | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>87.91</b>     |
| <b>21</b> | <b>Earnings Per Share (EPS) (being same before and after extraordinary items) of Rs. 10/- each (not Annualized) (for continuing operations)</b> |                                    |                  |                 |                  |                  |                  |
| (a)       | Basic   | (19.75)                            | (17.59)          | (24.89)         | (57.27)          | (63.47)          | (86.39)          |
| (b)       | Diluted   | (19.75)                            | (17.59)          | (24.89)         | (57.27)          | (63.47)          | (86.39)          |
| <b>22</b> | <b>Earning per share (for discontinued operations)</b>  |                                    |                  |                 |                  |                  |                  |
| (a)       | Basic   | -                                  | -                | -               | -                | -                | -                |
| (b)       | Diluted   | -                                  | -                | -               | -                | -                | -                |
| <b>23</b> | <b>Earning per share (for discontinued &amp; continuing operations)</b>   |                                    |                  |                 |                  |                  |                  |
| (a)       | Basic   | (19.75)                            | (17.59)          | (24.89)         | (57.27)          | (63.47)          | (86.39)          |
| (b)       | Diluted   | (19.75)                            | (17.59)          | (24.89)         | (57.27)          | (63.47)          | (86.39)          |
| <b>24</b> | <b>Asset cover available, in case of non convertible debt (NCD) securities</b>  | <b>0.72</b>                        | <b>0.75</b>      | <b>0.83</b>     | <b>0.72</b>      | <b>0.91</b>      | <b>0.83</b>      |
| <b>25</b> | <b>Net Debt-Equity Ratio</b>  | <b>(2.89)</b>                      | <b>(3.51)</b>    | <b>(10.53)</b>  | <b>(2.89)</b>    | <b>(10.53)</b>   | <b>(6.21)</b>    |
| <b>26</b> | <b>Debt service coverage ratio</b>  | <b>(0.31)</b>                      | <b>(0.32)</b>    | <b>(0.83)</b>   | <b>(0.32)</b>    | <b>(0.56)</b>    | <b>-</b>         |
| <b>27</b> | <b>Interest service coverage ratio</b>  | <b>(0.31)</b>                      | <b>(0.32)</b>    | <b>(0.83)</b>   | <b>(0.32)</b>    | <b>(0.56)</b>    | <b>-</b>         |
| <b>28</b> | <b>Outstanding redeemable preference shares(quantity and value)</b>   | <b>-</b>                           | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>N.A.</b>      |
| <b>29</b> | <b>Capital redemption reserve (CRR)/Debenture redemption reserve (DRR)</b>  | <b>1.89</b>                        | <b>1.89</b>      | <b>1.89</b>     | <b>1.89</b>      | <b>1.89</b>      | <b>1.89</b>      |
| <b>30</b> | <b>Net Worth</b>  | <b>(2294.21)</b>                   | <b>(1898.85)</b> | <b>(690.98)</b> | <b>(2294.21)</b> | <b>(690.98)</b>  | <b>(1145.89)</b> |



**Notes :**

- 1 Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Monnet Ispat & Energy Limited ("Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") by an Order of the National Company Law Tribunal with effect from 18th July 2017. As per Section 17 of the Code, upon appointment of the Interim Resolution Professional (IRP), the powers of the Board of Directors stands suspended and such powers shall be exercised by the Interim Resolution Professional appointed for the Company. And accordingly, these Unaudited Financial Results of the Company for the quarter ended 31st December 2017, have been duly considered and approved by the Resolution Professional (who was also IRP of the Company) for signing by the authorized officials of the Company as per law. In compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a limited review of the above results has been carried out by the Statutory Auditors.
- 2 The Resolution professional has invited interested Bidders, having adequate financial and technical capability, to submit resolution plan for the Company under CIRP and accordingly Resolution Plan has been submitted by the consortium of AION Capital and JSW Steel Ltd. Resolution Plan is currently in the process of evaluation by the Committee of Creditors and Resolution Professional.
- 3 The Company had pledged some of its investments for availment of credit facilities by the Company / its subsidiary company. Lenders have given letters for invocation of the pledge. Details of the pledged shares are as below:

| Name of the Company             | Monnet Power Co Ltd (MPCL) | Orissa Sponge Iron & Steel Ltd. (OSISL) |
|---------------------------------|----------------------------|---|
| No. of Shares                   | 49,40,00,000               | 75,00,000                               |
| Face Value                      | 10.00                      | 10.00                                   |
| Average cost per share          | 10.21                      | 288.41                                  |
| Cost of Investment (Rs. in Crd) | 504.22                     | 216.31                                  |
| Appropriation Value (Rs. in Cr) | Not available              | 39.30                                   |

In the matter of OSISL, appropriation value and other matters are under discussion with the respective lenders. Pending final resolution of the matter, no adjustment has been made in the books of the Company. Pursuant to invocation of pledge by lender of MPCL, the pledged shares stands transferred to the security trustee's depository participant account, however, the ownership of the pledged shares continues to vest with the company and hence no adjustment of the invocation has been done in the books of the company.


- 4 Monnet Power Company Limited, a subsidiary of the Company, upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") by the Hon'ble National Company Law Tribunal, Mumbai on 15th January 2018. The order of the Hon'ble National Company Law Tribunal, Mumbai is awaited.
- 5 As part of the CIRP, creditors of the Company were called upon to submit their claims to the IRP. Claims submitted by financial and operational creditors, exceeded the amount as appearing in the books of accounts. Pending final outcome of the CIRP, no provision has been made for the excess claims submitted
- 6 Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, Central excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of Companies Act, 2013, unlike Excise duties, levies like GST do not form part of Revenue. Accordingly, the figures for the periods upto 30th June 2017 are not strictly comparable to those thereafter. The following additional information is being provided to facilitate such understanding:

| Particulars                   | Quarter Ended |           | Nine Month Ended |           | Year ended |           |
|-------------------------------|---------------|-----------|------------------|-----------|------------|-----------|
|                               | 31-Dec-17     | 30-Sep-17 | 31-Dec-16        | 31-Dec-17 | 31-Dec-16  | 31-Mar-17 |
| A. Revenue from operations    | 316.75        | 315.22    | 267.57           | 977.82    | 988.20     | 1,372.80  |
| B. Excise duty                | -             | -         | 28.00            | 35.82     | 100.72     | 137.05    |
| C. Sale of products excluding | 316.75        | 315.22    | 239.57           | 942.00    | 887.48     | 1,235.75  |

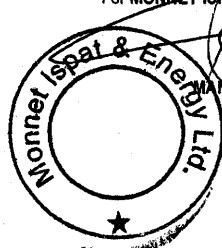
- 7 The Nominated Authority, Ministry of Coal had, vide their letter dated 30th December, 2017 issued notice for termination of coal mines development and production agreement and vesting order in respect of Gare Palma IV/7 coal mine, on completion of notice period on 19th January, 2018. The Hon'ble National Company Law Appellate Tribunal vide its order dated 8th February 2018 has restrained the nominated authority ministry of Coal, Govt of India from allotting the mine in question, in favour of any person, without the permission of the Hon'ble NCLAT. Since the matter is sub-judice, no adjustment has been made in the books of the Company.
- 8 The figures for the corresponding previous periods have been restated / regrouped wherever necessary to make them comparable.

Place : New Delhi  
Date : 14.02.2018

For MONNET ISPAT & ENERGY LIMITED



MANAGING DIRECTOR



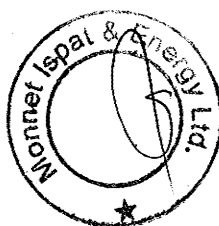
**MONNET ISPAT & ENERGY LIMITED**

Corporate Office : MONNET HOUSE, 11 Masjid Moth, Greater Kailash Part II, New Delhi - 110048  
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 www.monnetgroup.com CIN No. L02710CT1990PLC009826

**SEGMENTWISE REVENUE, RESULTS & CAPITAL EMPLOYED ALONG WITH THE QUARTERLY RESULTS**

(' In Crores)

| Sl. No. | Particulars  | Quarter Ended    | Quarter Ended    | Quarter Ended    | Nine Month Ended  | Nine Month Ended  | Year Ended        |
|---------|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|
|         |  | 31.12.2017       | 30.09.2017       | 31.12.2016       | 31.12.2017        | 31.12.2016        | 31.03.2017        |
|         |  | Unaudited        | Unaudited        | Unaudited        | Unaudited         | Unaudited         | Audited           |
| 1       | <b>Segment Revenue</b><br>(Net Sales / Income from each segment should be disclosed under this head) |                  |                  |                  |                   |                   |                   |
|         | (a) Power  | 65.64            | 65.10            | 45.16            | 173.71            | 156.15            | 210.02            |
|         | (b) Steel  | 297.97           | 315.74           | 268.80           | 960.71            | 986.91            | 1,371.67          |
|         | (c) Unallocated  | -                | -                | -                | -                 | -                 | -                 |
|         | <b>Total</b>   | <b>363.61</b>    | <b>380.84</b>    | <b>313.96</b>    | <b>1,134.41</b>   | <b>1,143.06</b>   | <b>1,581.69</b>   |
|         | (Gross Turnover - Turnover and Inter Segment Transfer)   |                  |                  |                  |                   |                   |                   |
|         | Less : Inter Segment Revenue   | 43.12            | 65.10            | 45.12            | 151.19            | 152.44            | 206.61            |
|         | <b>Turnover</b>  | <b>320.48</b>    | <b>315.74</b>    | <b>268.84</b>    | <b>983.22</b>     | <b>990.62</b>     | <b>1,375.08</b>   |
|         | Less: Excise Duty/Service Tax Recovered  | -                | -                | 28.00            | 35.82             | 100.72            | 137.05            |
|         | <b>Net Sales / Income From Operations</b>  | <b>320.48</b>    | <b>315.74</b>    | <b>240.84</b>    | <b>947.40</b>     | <b>889.90</b>     | <b>1,238.03</b>   |
| 2       | <b>Segment Results Profit / (Loss) before tax and interest from each segment</b>                     |                  |                  |                  |                   |                   |                   |
|         | (a) Power  | (0.26)           | (1.41)           | 0.14             | (1.67)            | (4.59)            | (3.88)            |
|         | (b) Steel  | (84.58)          | (63.99)          | (216.35)         | (250.16)          | (440.71)          | (648.01)          |
|         | (c) Unallocated  | -                | -                | -                | -                 | -                 | -                 |
|         | <b>Total Segment Profit before Interest and Tax</b>  | <b>(84.84)</b>   | <b>(65.40)</b>   | <b>(216.21)</b>  | <b>(251.83)</b>   | <b>(445.30)</b>   | <b>(651.89)</b>   |
|         | Less :   |                  |                  |                  |                   |                   |                   |
|         | i) Financial Charges   | 302.46           | 278.10           | 277.13           | 871.50            | 817.36            | 1,110.45          |
|         | ii) Un-allocable Expenditure (net off) (Exceptional Items)   | -                | -                | -                | -                 | -                 | -                 |
|         | iii) Un-allocable income / expenses  | (9.30)           | (9.74)           | (13.30)          | (26.57)           | (11.68)           | 33.54             |
|         | <b>Total Profit Before Tax</b>   | <b>(396.60)</b>  | <b>(353.24)</b>  | <b>(506.64)</b>  | <b>(1,149.90)</b> | <b>(1,274.34)</b> | <b>(1,728.80)</b> |
|         | i) Provision for Current Tax   | -                | -                | -                | -                 | -                 | 5.06              |
|         | ii) Provision for Deferred Tax   | -                | -                | -                | -                 | -                 | -                 |
|         | <b>Total Profit After Tax</b>  | <b>(396.60)</b>  | <b>(353.24)</b>  | <b>(506.64)</b>  | <b>(1,149.90)</b> | <b>(1,274.34)</b> | <b>(1,733.86)</b> |
| 3       | <b>Segment Assets</b>  |                  |                  |                  |                   |                   |                   |
|         | (a) Power  | 760.17           | 770.18           | 796.90           | 760.17            | 796.90            | 785.92            |
|         | (b) Steel  | 7,977.98         | 8,102.61         | 8,587.21         | 7,977.98          | 8,587.21          | 8,291.19          |
|         | (c) Unallocated  | -                | -                | -                | -                 | -                 | -                 |
|         | <b>Total Segment Assets</b>  | <b>8,738.15</b>  | <b>8,872.79</b>  | <b>9,384.11</b>  | <b>8,738.15</b>   | <b>9,384.11</b>   | <b>9,077.11</b>   |
| 4       | <b>Segment Liabilities</b>   |                  |                  |                  |                   |                   |                   |
|         | (a) Power  | 435.48           | 442.31           | 427.51           | 435.48            | 427.51            | 430.78            |
|         | (b) Steel  | 10,596.88        | 10,329.33        | 9,647.58         | 10,596.88         | 9,647.58          | 9,792.22          |
|         | (c) Unallocated  | -                | -                | -                | -                 | -                 | -                 |
|         | <b>Total Segment Liabilities</b>   | <b>11,032.36</b> | <b>10,771.64</b> | <b>10,075.09</b> | <b>11,032.36</b>  | <b>10,075.09</b>  | <b>10,223.00</b>  |







**INDEPENDENT AUDITOR'S REVIEW REPORT**

**TO THE RESOLUTION PROFESSIONAL OF MONNET ISPAT & ENERGY LIMITED**

1. We have reviewed the accompanying statement of un-audited Standalone Financial Results of **M/s Monnet Ispat & Energy Limited** ("the company") for the quarter and nine months ended 31<sup>st</sup> December, 2017 ("the statement"), attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This statement is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable Indian Accounting Standards and other accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated 30<sup>th</sup> November, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of Matter**

4. a) We report that the Company has not made any adjustment in the net carrying value of mining assets of Rs. 109.04 crores as on 31<sup>st</sup> December, 2017 related to deallocated mines, pending finalization of compensation claim filed by the Company with the government authorities.  
b) The Nominated Authority, Ministry of Coal had, vide their letter dated 30<sup>th</sup> December, 2017 issued notice for termination of coal mines development and production agreement and vesting order in respect of Gare Palma IV/7 coal mine on completion of notice period on 19<sup>th</sup> January, 2018. The National Company Law Appellate Tribunal has restrained the nominated authority ministry of Coal, Govt of India from finalising any subsequent bid with regard to mine in question. Since the matter is sub-judice, no adjustment has been made in the books of the Company.  
c) The company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current period and immediately preceding financial year. The current liabilities of the company exceeded its current assets as at the quarter end. These conditions may cast doubt about the Company's ability to continue as a going concern. However, in view of the ongoing resolution process initiated with regard to the Company as per provisions of Insolvency and Bankruptcy Code (IBC) 2016, the financial statements of the Company have been prepared on a going concern basis.  
d) The Company had pledged some of its investments for availment of credit facilities by the Company. Lenders have given letters for invocation of the pledge. The appropriation value is







**APAS & Co.**  
CHARTERED ACCOUNTANTS

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under discussion with the respective lenders. Pending final resolution of the matter, no adjustment has been made in the books of the Company. Details of the pledged shares are as below:

| Name of the Company             | No. of Shares | Face Value | Average cost per share | Cost of Investment (Rs. in Crores) | Appropriation Value (Rs. in Crores) |
|---------------------------------|---------------|------------|------------------------|------------------------------------|-------------------------------------|
| Orrisa Sponge Iron & Steel Ltd. | 75,00,000     | 10         | 288.41                 | 216.31                             | 39.30                               |

e) The Company had pledged some of its investments for availment of credit facilities by its subsidiary company. The Lender has given letter for invocation of the pledge. The pledged shares stand transferred to the security trustee's depository participant account. However, the ownership of the pledged shares continues to vest with the company and hence no adjustment of the invocation has been done in the books of the company. Details of the pledged shares are as below:

| Name of the Company | No. of Shares | Face Value | Average cost per share | Cost of Investment (Rs. in Crores) | Appropriation Value (Rs. in Crores) |
|---------------------|---------------|------------|------------------------|------------------------------------|-------------------------------------|
| Monnet Power Co Ltd | 49,40,00,000  | 10         | 10.21                  | 504.22                             | Not available                       |

f) The National Company Law Tribunal has ordered the commencement of a corporate insolvency resolution process for the Company on 18<sup>th</sup> July, 2017. The creditors of the Company were called upon to submit their claims to the RP. Claims submitted by financial creditors, in respect of fund based facilities exceeded the amount as appearing in the books of accounts by Rs.218.25 crores. The Company is in the process of reconciling / verifying the claims and no provision has been made for the excess amount mentioned hereinabove.

Our conclusion is not qualified in respect of the above matters.

**For APAS & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn.No.000340C**



*Rajeev Ranjan*

**(RAJEEV RANJAN)**  
**PARTNER**  
**M.No. 535395**

PLACE : NEW DELHI  
DATED : 14-2-2018