

# Monnet Ispat & Energy Limited

Corporate Office: Art Guild House, A-Wing 2<sup>nd</sup> Floor, Unit No-13, Phoenix Mall Compound,  
LBS Marg, Kurla West, Mumbai – 400 070

CIN: L02710CT1990PLC009826, GST : 27AAACM0501D2Z9

Phone: +91 22 4043 5999 ; E-mail : isc\_miel@aionjsw.in; Website : www.aionjsw.in

E-mail/ Online Upload Copy

21 October, 2019

**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,  
**KOLKAT A-700001,**

**BSE Scrip Code: 513446 / NSE Scrip Code: AIONJSW**

**Sub: Approval of un-audited standalone and consolidated financial results for the quarter and half year ended 30<sup>th</sup> September, 2019**

Dear Sir,

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. 21<sup>st</sup> October, 2019, has, inter alia, approved the unaudited standalone and consolidated financial results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2019 along with Statement of Assets and Liabilities and the Cash flow statements for the half year ended 30<sup>th</sup> September 2019.

Accordingly, please find enclosed the following:

- i. Un-audited standalone financial results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2019 along with the Statement of Assets and Liabilities and the Cash flow statement for the half year ended 30<sup>th</sup> September 2019 together with the Limited Review Report, thereon by the Auditors, enclosed as **Annexure-I**;
- ii. Unaudited consolidated financial results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2019 along with the Statement of Assets and Liabilities and the Cash flow statement for the half year ended 30<sup>th</sup> September 2019 together with the Limited Review Report, thereon by the Auditors, enclosed as **Annexure-II**;

The meeting commenced at 05:00 P.M. and concluded at 9.30 P.M.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For **Monnet Ispat and Energy Limited**

  
**(Ajay Kadhao)**  
**Company Secretary &**  
**Compliance**  
**M.No. ACS13444**

**Raigarh Works:** Village & P.O.: Naharpali, Tehsil.: Kharsia, Raigarh – 496 661 (Chhattisgarh)  
**Phone :** +91 7762 275 502 / 03 / 04, **Fax :** +91 7762 275 505 , +91 7762 391 510; **E-mail :** raigarh@aionjsw.in

**Regd. Office & Works:** Monnet Marg, Mandir Hasaud, Raipur- 492 101 (Chhattisgarh)  
**Phone :** +91 771 2471 334 to 339, **Fax:** +91 771 2471 250, **E-mail :** raipur@aionjsw.in

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
MONNET ISPAT AND ENERGY LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MONNET ISPAT AND ENERGY LIMITED** ("the Company"), for the quarter and six months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

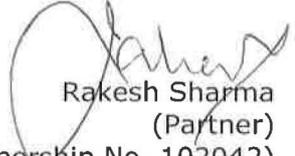


# Deloitte Haskins & Sells LLP

5. The comparative financial information in the Statement of the Company (a) for the corresponding quarter and six months ended September 30, 2018 were reviewed and (b) as at and for the year ended March 31, 2019 were audited, by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated May 17, 2019 expressed an unmodified conclusion / opinion, as applicable.

Our conclusion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
Rakesh Sharma  
(Partner)  
(Membership No. 102042)  
(UDIN:19102042AAAACE7287)

Place: MUMBAI  
Date: October 21, 2019

# MONNET ISPAT AND ENERGY LIMITED

Corporate Office : Art Guild House, A-Wing, 2nd Floor, Unit No-13, Phoenix Mall Compound, LBS Marg, Kurla West, Mumbai-400070

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

Tel. No. +91 22 40435999; E-mail: isc\_miel@aionjsw.in

Website: www.aionjsw.com CIN No. L02710CT1990PLC009826

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2019

(₹ in Crore, except per share data)

Sr No.	Particulars	Standalone					
		Quarter ended			Six months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	<b>Income from operations</b>						
	(a) Gross sales	648.29	775.55	417.97	1,423.84	850.18	1,872.35
	(b) Other operating income	12.15	1.54	1.75	13.69	2.59	7.06
	<b>Total revenue from operations</b>	<b>660.44</b>	<b>777.09</b>	<b>419.72</b>	<b>1,437.53</b>	<b>852.77</b>	<b>1,879.41</b>
	Other income	3.67	5.50	3.31	9.17	14.24	26.83
	<b>Total income</b>	<b>664.11</b>	<b>782.59</b>	<b>423.03</b>	<b>1,446.70</b>	<b>867.01</b>	<b>1,906.24</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	317.04	674.17	374.44	991.21	739.37	1,728.32
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	168.19	(129.13)	(41.44)	39.06	(59.41)	(250.32)
	(c) Employee benefits expense	28.01	33.49	19.03	61.50	38.26	89.34
	(d) Finance costs	62.46	61.99	16.04	124.45	342.96	445.27
	(e) Depreciation and amortization expense	53.25	53.49	81.57	106.74	169.14	275.60
	(f) Power and fuel	49.58	117.65	21.47	167.23	39.93	147.85
	(g) Other expenses	97.02	106.17	38.67	203.19	73.25	163.37
	<b>Total expenses</b>	<b>775.55</b>	<b>917.83</b>	<b>509.78</b>	<b>1,693.38</b>	<b>1,343.50</b>	<b>2,599.43</b>
3	<b>Loss before exceptional items and tax (1-2)</b>	<b>(111.44)</b>	<b>(135.24)</b>	<b>(86.75)</b>	<b>(246.68)</b>	<b>(476.49)</b>	<b>(693.19)</b>
4	Exceptional items (refer note 5)	-	-	2,772.81	-	2,772.81	2,767.92
5	<b>Loss before tax (3-4)</b>	<b>(111.44)</b>	<b>(135.24)</b>	<b>(2,859.56)</b>	<b>(246.68)</b>	<b>(3,249.30)</b>	<b>(3,461.11)</b>
6	<b>Tax expense:</b>						
	(i) Current tax	-	-	-	-	-	-
	(ii) Deferred tax	-	-	-	-	-	-
7	<b>Loss after tax for the period/year (5 ± 6)</b>	<b>(111.44)</b>	<b>(135.24)</b>	<b>(2,859.56)</b>	<b>(246.68)</b>	<b>(3,249.30)</b>	<b>(3,461.11)</b>
8	<b>Other comprehensive income/ (loss)</b>						
	Items that will not be reclassified to profit or loss	(3.76)	0.21	0.29	(3.55)	(1.58)	(33.04)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total other comprehensive (loss)/ income</b>	<b>(3.76)</b>	<b>0.21</b>	<b>0.29</b>	<b>(3.55)</b>	<b>(1.58)</b>	<b>(33.04)</b>
9	<b>Total comprehensive loss for the period/ year (7+8)</b>	<b>(115.20)</b>	<b>(135.03)</b>	<b>(2,859.27)</b>	<b>(250.23)</b>	<b>(3,250.88)</b>	<b>(3,494.15)</b>
10	Paid-up equity share capital (Face value of Rs.10/- per share fully paid-up)	469.55	469.55	469.55	469.55	469.55	469.55
11	Other equity						982.27
12	<b>Earnings per share (EPS) (not annualised)</b>						
	(a) Basic (Rs.)	(2.37)	(2.88)	(87.60)	(5.25)	(123.11)	(94.44)
	(b) Diluted (Rs.)	(2.37)	(2.88)	(87.60)	(5.25)	(123.11)	(94.44)

Date: 21.10.2019  
Place Mumbai

For Monnet Ispat and Energy Limited



*D. Ravichandar*  
D. Ravichandar  
Whole-time Director

## STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

Particulars		As at 30.09.2019	As at 31.03.2019
		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	3,270.72	3,372.55
	(b) Capital work-in-progress	167.76	153.63
	(c) Right of use assets	14.01	-
	(d) Financial assets		
	(i) Investments	0.75	0.99
	(ii) Other financial assets	5.56	5.85
	(e) Non Current tax assets (net)	2.67	2.13
	(f) Other non-current assets	41.22	6.36
	<b>Total non-current assets</b>	<b>3,502.69</b>	<b>3,541.51</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	752.36	658.81
	(b) Financial assets		
	(i) Trade receivables	65.77	45.71
	(ii) Cash and cash equivalents	74.44	165.31
	(iii) Bank balances other than (ii) above	57.11	48.12
	(iv) Loans	7.09	9.73
	(v) Others	9.77	9.43
	(c) Other current assets	157.71	161.66
	(d) Assets classified as held for sale	0.00	3.31
	<b>Total current assets</b>	<b>1,124.25</b>	<b>1,102.08</b>
	<b>TOTAL ASSETS</b>	<b>4,626.94</b>	<b>4,643.59</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	995.53	995.53
	(b) Other equity	732.04	982.27
	<b>Total equity</b>	<b>1,727.57</b>	<b>1,977.80</b>
<b>2</b>	<b>Liabilities</b>		
<b>I</b>	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Long-term borrowings	2,174.00	2,044.10
	(ii) Lease liabilities	14.11	-
	(b) Provisions	4.20	3.23
	<b>Total non-current liabilities</b>	<b>2,192.31</b>	<b>2,047.33</b>
<b>II</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Short-term borrowings	174.32	154.21
	(ii) Trade payables		
	total outstanding dues of micro enterprises and small enterprises	0.79	3.36
	total outstanding dues of creditors other than micro enterprises and small enterprises	419.27	396.27
	(iii) Other financial liabilities	67.78	33.83
	(b) Other current liabilities	41.21	30.48
	(c) Provisions	3.69	0.31
	<b>Total current liabilities</b>	<b>707.06</b>	<b>618.46</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,626.94</b>	<b>4,643.59</b>



STANDALONE STATEMENT OF CASH FLOWS

(₹ in Crore)

	Six months ended 30.09.2019 Unaudited	Six months ended 30.09.2018 Unaudited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(246.68)	(3,249.30)
<i>Adjustments</i>		
Depreciation and amortisation expenses	106.74	169.14
Interest Income	(5.60)	(6.91)
Finance cost	124.45	342.96
Loss on sale of fixed assets	0.01	-
Adjustment for cessation of control in subsidiary	(0.26)	15.68
Impairment of non current Investments	-	682.35
Impairment of property, plant and equipment	-	2,426.05
Non recoverable advances written off	-	795.92
Financial liability written back	-	(1,008.32)
Operational liability written back	-	(218.17)
Impairment of Inventories	-	79.30
Transferred on amalgamation	-	(2.59)
	<u>225.34</u>	<u>3,275.41</u>
Operating (loss)/ profit before working capital changes	(21.34)	26.11
<i>Adjustment for movement in working capital:</i>		
(Increase) in inventories	(93.55)	(51.95)
Increase in trade and other receivables	(14.18)	(36.15)
Increase/(decrease) in trade and other payables	52.56	(19.21)
Increase/(decrease) in provisions	4.34	(2.44)
	<u>(50.83)</u>	<u>(109.75)</u>
Cash used in operations	(72.17)	(83.64)
Income taxes paid (net)	(0.54)	(0.33)
<b>Net cash used in operating activities</b>	<b>(72.71)</b>	<b>(83.97)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(53.48)	(2.71)
Cash and cash equivalents acquired on merger	-	675.15
Sale of fixed assets	0.25	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>(53.23)</b>	<b>672.44</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(113.24)	(14.40)
Payment of lease liabilities	(0.40)	-
Proceeds of Long Term Borrowings	128.60	-
Proceeds / (repayment) of short term borrowings (net)	20.11	(447.37)
<b>Net cash flow generated from/(used in) financing activities</b>	<b>35.07</b>	<b>(461.77)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(90.87)</b>	<b>126.70</b>
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>165.31</b>	<b>91.38</b>
<b>Cash and cash equivalents - at the end of the period</b>	<b>74.44</b>	<b>218.08</b>

Note

1. The standalone statement of cash flows has been prepared using the Indirect method as set out in IND AS 7 - Statement of Cash Flows.



**Notes :**

1. During the year ended 31 March 2019, the Resolution Plan under the Insolvency Bankruptcy Code, 2016, submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited (the "consortium") for the Company was approved by the National Company Law Tribunal on 24 July 2018, with modifications. Pursuant to such approval, the Resolution Plan was implemented with effect from 31 August 2018.
2. The facilities at Raigarh location (other than those relating to Pellets and DRI) have been temporarily shut down from 21 June 2019. During the period of shut down the Company will also undertake modification of plant and machinery for manufacturing special steel products apart from general maintenance. The Company will restart its integrated operations on completion of aforesaid modification which is estimated to be in quarter four (Q4) of financial year 2019-20.
3. The Company has changed the accounting policy for valuation of inventories from First in First Out (FIFO) to Weighted Average Method (WAM) w.e.f 1 August 2019. The said change has been made to align the policy with the practices followed by major industry peers. The effect of change in inventory valuation policy is not material.
4. The Company has adopted Ind AS 116 'Leases' which resulted in recognition of a Right-of-Use asset and a corresponding Lease Liability of Rs 14.34 crore as at 1 April 2019. The impact on the profit for the quarter and six months 30 September 2019 is not material.
5. Exceptional items comprise (i) impairment of property, plant and equipment, investments, inventories, receivables and current and non-current assets as reduced by write-back of certain current and non-current liabilities, amounting to Rs. 2,740.92 crores recognised during the year ended 31 March 2019 adjusted for the reduction of Rs. 31.89 crore upon review of such items during the quarter ended 31 March 2019, and (ii) plant start-up expenses of Rs. 27 crore incurred during the quarter ended 31 March 2019 towards certain manufacturing facilities at Raigarh unit, which were non-operational for a long period of time.
6. The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per Ind AS 108- Operating Segments.
7. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meeting held on 21 October 2019. The comparative financial information of the Company for the quarter and six months ended 30 September 2018 and as at and for the year ended 31 March 2019 have been reviewed / audited, as applicable, by the predecessor statutory auditors. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter and six months ended 30 September 2019.

**For Monnet Ispat and Energy Limited**

  
**D. Ravichandar**  
**Whole-Time Director**  
**DIN: 03298700**



**Date: 21 October, 2019**  
**Place: Mumbai**

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
MONNET ISPAT AND ENERGY LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **MONNET ISPAT AND ENERGY LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its associate and joint ventures for the quarter and six months ended September 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure "A" to this report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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6. The consolidated unaudited financial results includes the interim financial information/ financial results of 7 subsidiaries which have not been reviewed by their auditors, whose interim financial information/ financial results reflect total assets of Rs. 35.49 Crore as at September 30, 2019 and, total revenue of Rs. Nil and Rs. Nil for the quarter and six months ended September 30, 2019 respectively, total loss after tax of Rs. 2.46 Crore and Rs. 3.17 Crore for the quarter and six months ended September 30, 2019 respectively and Total comprehensive loss of Rs. 2.46 and Rs. 3.17 for the quarter and six months ended September 30, 2019 respectively and net cash flows of Rs. 0.01 Crore for the six months ended September 30, 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. Nil and Rs. Nil for the quarter and six months ended September 30, 2019 respectively and total comprehensive income of Rs. Nil and Rs. Nil for the quarter and six months ended September 30, 2019 respectively, as considered in the Statement, in respect of an associate and 5 joint ventures, based on their interim financial information/ financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information / financial results are not material to the Group.

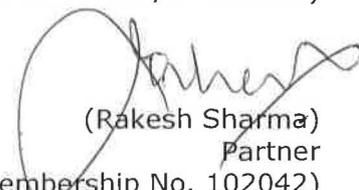
The financial results of an associate have not been furnished. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of this associate under the provisions of the Insolvency and Bankruptcy Code, 2016. However, in view of the last audited financial statements and other financial information available, the Company has written off its investment in the aforesaid entity. In our opinion and according to the information and explanations given to us by the Management, non-receipt of these financial results/ financial information will have no impact on the consolidated financial results of the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information / results certified by the Management.

7. The comparative financial information in the Statement of the Company (a) for the corresponding quarter and six months ended September 30, 2018 were reviewed and (b) as at and for the year ended March 31, 2019 were audited, by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated May 17, 2019, expressed an unmodified conclusion / opinion, as applicable.

Our conclusion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
(Rakesh Sharma)  
Partner  
(Membership No. 102042)  
(UDIN: 19102042AAAACF7338)

Place: Mumbai  
Date: October 21, 2019

# Deloitte Haskins & Sells LLP

## Annexure "A" List of entities included in the Statement

### (i) Subsidiaries

- (a) Monnet Global Limited
- (b) Monnet Cement Limited
- (c) Chomal Exports Private Limited
- (d) Monnet Sports Foundation
- (e) Pt. Sarwa Sembada Karya Bumi
- (f) LLC Black Sea Natural Resources
- (g) Khasjamda Mining Company\*

### (ii) Jointly controlled entity

- (a) Mandakini Coal Company Limited
- (b) Solace Land Holding Limited
- (c) Monnet Ecomaister Enviro Private Limited
- (d) MP Monnet Mining Company Limited
- (e) Urtan North Mining Company Limited

### (iii) Associate

- (a) Monnet Power Company Limited

\* Dissolved during the current period



# MONNET ISPAT AND ENERGY LIMITED

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Tel. No. +91 22 40435999; E-mail: isc\_miel@aionjsw.in

Website: www.aionjsw.com CIN No. L02710CT1990PLC009826

## STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2019

(₹ in Crore, except per share data)

Sr No.	Particulars	Consolidated					
		Quarter ended			Six months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	<b>Income from operations</b>						
	(a) Gross sales	648.29	775.55	417.97	1,423.84	850.18	1,872.35
	(b) Other operating income	12.15	1.54	1.75	13.69	2.59	7.06
	<b>Total revenue from operations</b>	<b>660.44</b>	<b>777.09</b>	<b>419.72</b>	<b>1,437.53</b>	<b>852.77</b>	<b>1,879.41</b>
	Other income	3.67	5.50	3.48	9.17	14.41	27.00
	<b>Total income</b>	<b>664.11</b>	<b>782.59</b>	<b>423.20</b>	<b>1,446.70</b>	<b>867.18</b>	<b>1,906.41</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	317.04	674.17	374.44	991.21	739.37	1,728.32
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	168.19	(129.13)	(41.44)	39.06	(59.41)	(250.32)
	(c) Employee benefits expense	28.53	33.60	19.35	62.13	38.87	90.35
	(d) Finance costs	62.46	61.99	16.05	124.45	342.96	445.27
	(e) Depreciation and amortization expense	53.69	53.91	82.13	107.60	170.27	277.51
	(f) Power and fuel	49.58	117.65	21.47	167.23	39.93	147.85
	(g) Other expenses	98.49	106.35	41.71	204.84	76.47	164.00
	<b>Total expenses</b>	<b>777.98</b>	<b>918.54</b>	<b>513.71</b>	<b>1,696.52</b>	<b>1,348.46</b>	<b>2,602.98</b>
3	<b>Loss before exceptional items and tax (1-2)</b>	<b>(113.87)</b>	<b>(135.95)</b>	<b>(90.51)</b>	<b>(249.82)</b>	<b>(481.28)</b>	<b>(696.57)</b>
4	Exceptional items (refer note 5)	-	-	2,839.12	-	2,840.91	2,855.67
5	<b>Loss before tax (3-4)</b>	<b>(113.87)</b>	<b>(135.95)</b>	<b>(2,929.63)</b>	<b>(249.82)</b>	<b>(3,322.19)</b>	<b>(3,552.24)</b>
6	<b>Tax expense:</b>						
	(i) Current tax	-	-	-	-	-	-
	(ii) Deferred tax	-	-	-	-	-	-
7	<b>Loss after tax for the period/year (5 ± 6)</b>	<b>(113.87)</b>	<b>(135.95)</b>	<b>(2,929.63)</b>	<b>(249.82)</b>	<b>(3,322.19)</b>	<b>(3,552.24)</b>
	Owners of the company	(113.66)	(135.95)	(2,929.61)	(249.61)	(3,322.11)	(3,552.11)
	Non controlling interests	(0.21)	(0.00)	(0.02)	(0.21)	(0.08)	(0.13)
8	<b>Other comprehensive income/ (loss)</b>						
	A. (i) Items that will not be reclassified to profit or loss	(3.76)	0.21	0.29	(3.55)	(1.58)	(33.06)
	(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	(8.62)	2.37	(14.17)	(6.25)	(28.51)	9.98
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-	-
	<b>Total other comprehensive income/ (loss)</b>	<b>(12.38)</b>	<b>2.58</b>	<b>(13.88)</b>	<b>(9.80)</b>	<b>(30.09)</b>	<b>(23.08)</b>
9	<b>Total comprehensive loss for the period/ year (7+8)</b>	<b>(126.25)</b>	<b>(133.37)</b>	<b>(2,943.51)</b>	<b>(259.62)</b>	<b>(3,352.28)</b>	<b>(3,575.32)</b>
	Owners of the company	(126.04)	(133.37)	(2,943.49)	(259.41)	(3,352.20)	(3,575.19)
	Non controlling interests	(0.21)	(0.00)	(0.02)	(0.21)	(0.08)	(0.13)
10	Paid-up equity share capital (Face value of Rs. 10/- per share fully paid-up)	469.55	469.55	469.55	469.55	469.55	469.55
11	Other equity						698.48
12	<b>Earnings per share (EPS) (not annualised)</b>						
	(a) Basic (Rs.)	(2.43)	(2.90)	(89.75)	(5.32)	(125.87)	(96.92)
	(b) Diluted (Rs.)	(2.43)	(2.90)	(89.75)	(5.32)	(125.98)	(96.92)

Date: 21.10.2019

Place Mumbai

For Monnet Ispat and Energy Limited



*D. Ravichandar*  
D. Ravichandar  
Whole-time Director

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

Particulars		As at 30.09.2019	As at 31.03.2019
		Unaudited	Audited
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	3,275.72	3,378.33
	(b) Capital work-in-progress	196.90	182.15
	(c) Right of use assets	14.01	-
	(d) Financial assets		
	(i) Investments		
	- Investments in an associate and joint ventures	-	-
	- Other investments	0.75	0.99
	(ii) Other financial assets	5.56	5.85
	(e) NonCurrent tax assets (net)	2.67	2.13
	(f) Other non-current assets	41.22	6.36
	<b>Total non-current assets</b>	<b>3,536.83</b>	<b>3,575.81</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	752.36	658.81
	(b) Financial assets		
	(i) Trade receivables	65.77	45.71
	(ii) Cash and cash equivalents	74.60	165.47
	(iii) Bank balances other than (ii) above	57.11	48.12
	(iv) Loans	7.13	9.72
	(v) Other financial assets	9.77	9.45
	(c) Other current assets	158.88	162.81
	(d) Assets classified as held for sale	0.00	3.31
	<b>Total current assets</b>	<b>1,125.62</b>	<b>1,103.40</b>
	<b>TOTAL ASSETS</b>	<b>4,662.45</b>	<b>4,679.21</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	995.53	995.53
	(b) Other equity	438.95	698.48
	Equity attributable to owners of the Company	<b>1,434.48</b>	<b>1,694.01</b>
	Non-controlling interests	(0.07)	0.04
	<b>Total equity</b>	<b>1,434.41</b>	<b>1,694.05</b>
<b>2</b>	<b>Liabilities</b>		
<b>I</b>	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Long-term borrowings	2,174.00	2,044.10
	(ii) Lease liabilities	14.11	-
	(b) Provisions	4.20	3.23
	<b>Total non-current liabilities</b>	<b>2,192.31</b>	<b>2,047.33</b>
<b>II</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Short-term borrowings	174.32	154.21
	(ii) Trade payables		
	total outstanding dues of micro enterprises and small enterprises	0.79	3.36
	total outstanding dues of creditors other than micro enterprises and small enterprises	419.34	396.37
	(iii) Other financial liabilities	396.37	353.10
	(b) Other current liabilities	41.22	30.48
	(c) Short-term provisions	3.69	0.31
	<b>Total current liabilities</b>	<b>1,035.73</b>	<b>937.83</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,662.45</b>	<b>4,679.21</b>



CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in Crore)

	Six months ended 30.09.2019 Unaudited	Six months ended 30.09.2018 Unaudited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(249.82)	(3,322.19)
<i>Adjustments</i>		
Depreciation and amortisation expenses	107.60	170.27
Interest income	(5.60)	(6.91)
Finance cost	124.45	342.96
Loss on sale of fixed assets	0.01	-
Exchange differences in translating the financial statements of foreign operations	(0.43)	(28.52)
Impairment of non current investments	-	628.92
Impairment of property, plant and equipment	-	2,598.46
Non recoverable advances written off	-	238.12
Provision for non recoverable advances	-	520.72
Financial liability written back	-	(1,008.32)
Operational liability written back	-	(218.17)
Impairment of inventory	-	79.30
Share of loss of an associate	-	3.01
Transferred on amalgamation	-	(2.59)
	226.03	3,317.25
Operating loss before working capital changes	(23.79)	(4.94)
<i>Adjustment for movement in working capital:</i>		
Increase in inventories	(93.55)	(31.45)
Increase in trade and other receivables	(12.74)	(35.47)
Increase/(decrease) in trade and other payables	56.24	(18.42)
Increase/ (decrease) in provisions	1.04	(2.44)
	(49.01)	(87.78)
Cash used in operations	(72.80)	(92.72)
Income taxes paid (net)	(0.54)	(0.40)
<b>Net cash used in operating activities (A)</b>	<b>(73.34)</b>	<b>(93.12)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(53.48)	(32.38)
Cash and cash equivalents acquired on merger	-	675.15
Sale of fixed assets	0.25	-
Interest received	-	-
	(53.23)	642.77
<b>Net cash (used in)/ generated from investing activities (B)</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(112.60)	27.59
Payment of lease liabilities	(0.40)	-
Proceeds of Long Term Borrowings	128.60	-
Proceeds/ (repayment) of borrowings (net)	20.10	(450.60)
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>35.70</b>	<b>(423.01)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(90.87)</b>	<b>126.64</b>
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>165.47</b>	<b>91.68</b>
<b>Cash and cash equivalents - at the end of the period</b>	<b>74.60</b>	<b>218.32</b>
Note		
1. The consolidated statement of cash flows has been prepared using the indirect method as set out in IND AS 7 - Statement of Cash Flows.		



**Notes :**

1. During the year ended 31 March 2019, the Resolution Plan under the Insolvency Bankruptcy Code, 2016, submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited (the "consortium") for the Company was approved by the National Company Law Tribunal on 24 July 2018, with modifications. Pursuant to such approval, the Resolution Plan was implemented with effect from 31 August 2018.
2. The facilities at Raigarh location (other than those relating to Pellets and DRI) have been temporarily shut down from 21 June 2019. During the period of shut down the Company will also undertake modification of plant and machinery for manufacturing special steel products apart from general maintenance. The Company will restart its integrated operations on completion of aforesaid modification which is estimated to be in quarter four (Q4) of financial year 2019-20.
3. The Group has changed the accounting policy for valuation of inventories from First in First Out (FIFO) to Weighted Average Method (WAM) w.e.f 1 August 2019. The said change has been made to align the policy with the practices followed by the major industry peers. The effect of change in inventory valuation policy is not material.
4. The Group has adopted Ind AS 116 'Leases' which resulted in recognition of a Right-of-Use asset and a corresponding Lease Liability of Rs 14.34 crore as at 1 April 2019. The impact on the loss for the quarter and six months ended 30 September 2019 is not material.
5. Exceptional items comprise (i) impairment of property, plant and equipment, investments, inventories, receivables and, current and non-current assets as reduced by write-back of certain current and non-current liabilities, amounting to Rs. 2,828.67 crore recognised during the year ended 31 March 2019 adjusted for the reduction of Rs. 31.89 crore upon review of such items during the quarter ended 31 March 2019, and (ii) plant start-up expenses of Rs. 27 crore incurred during the quarter ended 31 March 2019 towards certain manufacturing facilities at Raigarh unit, which were non-operational for a long period of time.
6. The consolidated financial statement does not include financial information of Monnet Power Company Limited (MPCL), an associate of the Company, since MPCL is under Corporate Insolvency Resolution Process (CIRP) as per IBC. No adjustment is required in respect of losses if any, of MPCL since carrying value of investments is nil.
7. The Group is in the business of manufacturing steel products and hence has only one reportable operating segment as per Ind AS 108- Operating Segments.
8. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meeting held on 21 October 2019. The comparative financial information of the Group for the quarter and six months ended 30 September 2018 and as at and for the year ended 31 March 2019 have been reviewed / audited, as applicable, by the predecessor statutory auditors. Statutory Auditors of the Company have carried out a Limited Review of the consolidated results for the quarter and six months ended 30 September 2019.

**For Monnet Ispat and Energy Limited**

  
**D. Ravichandar**  
**Whole-Time Director**  
**DIN: 03298700**

**Date: 21 October, 2019**  
**Place: Mumbai**

