



Monnet Ispat & Energy Limited

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MIEL/CS/2018-19/MH/

July 26, 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

RE: Disclosure pursuant to Regulation 30 read with paragraph 16(k) and (l) of Part A of Schedule III, and Regulations 31A(9) and 37(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("LODR Regulations")

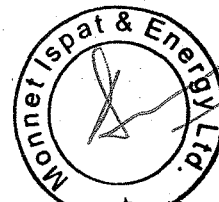
Subject: Salient features of the resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, as amended ("IBC") in respect of the corporate insolvency resolution process of Monnet Ispat and Energy Limited ("Company"/ "MIEL")

Dear Sir,

In continuation of our letter dated 19 July 2018, this disclosure is being made pursuant to Regulation 30 read with paragraph 16(k) and (l) of Part A of Schedule III, and with Regulations 31A(9) and 37(7) and other applicable provisions of the LODR Regulations.

The Company was one of the 12 (twelve) companies identified by the Reserve Bank of India in its directive dated 15 June 2017 against which lenders were instructed to commence insolvency proceedings in accordance with the IBC. Accordingly, State Bank of India filed a petition before Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") for the commencement of the corporate insolvency resolution process of the Company which was admitted by Hon'ble NCLT vide its order dated 18 July 2017. Subsequently, Mr. Sumit Binani, who was appointed as the resolution professional of the Company ("Resolution Professional"), invited prospective investors and other persons to submit a resolution plan for the Company.

A consortium comprising of AION Investments Private II Limited and JSW Steel Limited (the "Consortium") was the only applicant to submit a resolution plan for the Company. The Resolution Professional, subsequently presented the resolution plan to the committee of creditors of the Company ("COC") for its approval. The resolution plan was considered by the COC and approved by a majority vote of 98.97% of the financial creditors by value. Pursuant to such approval, the COC issued a letter of intent dated 12 April 2018 to the Consortium ("Letter of Intent").



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MONNET ISPAT & ENERGY LTD.
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Subsequently, the resolution plan (as amended and supplemented) was orally approved, with certain modifications, by the Mumbai bench of the Hon'ble NCLT on 19 July 2018.

The written order of the Hon'ble NCLT dated 24 July 2018 approving the resolution plan has been uploaded on the website of the Hon'ble NCLT on 25 July 2018 (the resolution plan submitted by the Consortium, as approved by the COC and the Hon'ble NCLT, the "**Resolution Plan**").

Pursuant to the provisions of Regulation 30 read with paragraph 16(k) and (l) of Part A of Schedule III of the LODR Regulations, set out below are the salient features of the Resolution Plan and other material information (other than commercial secrets):

a) **Treatment of the creditors of the Company**

Pursuant to the Resolution Plan, the settlement of the claims of the financial creditors of the Company shall take place as follows:

Treatment of the Admitted Debt of the financial creditors of the Company	INR (in Crore) (rounded off)
Payment to secured financial creditors of the Company	2,457.00
Amount of admitted debt held by the assenting financial creditors of the Company that is converted into equity shares of the Company at face value of INR 10 per share	215.20
Amount payable to the assenting financial creditors of the Company upon conversion of the balance portion of the admitted debt into Optionally Convertible Preference Shares (" OCPS ") of the Company and purchase of such OCPS by Milloret Steel Limited (" MSL ").*	219.92

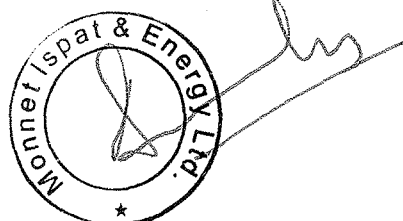
**Assenting financial creditors of the Company whose claims arise on account of invoked bank/corporate guarantees or who had granted external commercial borrowings to the Company may be paid directly by MSL/the Company without any conversion into OCPS.*

As set out in the Letter of Intent and directed by the Hon'ble NCLT, the upfront payments set out above shall be made within 30 days of 24 July 2018. The date on which the treatment of the admitted debt held by the financial creditors of the Company is completed in accordance with the Resolution Plan will be the '**Effective Date**' of the Resolution Plan.

In addition, an aggregate amount of INR 25 crores shall be paid, to certain identified operational creditors of the Company within a period of 1 (one) year commencing from 24 July 2018, in lieu of the admitted debt held by such operational creditors of the Company in the manner directed by the Hon'ble NCLT.

b) **Capital infusion into the Company**

Pursuant to the Resolution Plan, the Consortium will infuse an amount of INR 875 crore in MSL (a special purpose vehicle directly/indirectly owned by members of the Consortium) in the manner



set out in the Resolution Plan to fund the working capital and capital expenditure requirements of the Company and towards purchase of the OCPS from the financial creditors of the company (as set out above). In addition, JSW Steel will provide INR 125 Crore as a working capital advance to the Company.

The Consortium has also arranged a term loan for the Company to enable payment of the amounts due to the financial creditors of the Company as mentioned above.

c) ***Details of the Restructuring Proposal for acquisition of the Company***

In accordance with Regulation 37(7) of the LODR Regulations, the details of the restructuring proposal forming part of the Resolution Plan are set out below. Upon implementation of the Resolution Plan, the Consortium will acquire control over the Company on the 'Effective Date' pursuant to the restructuring proposal proposed in the Resolution Plan which involves the following:

(i) Conversion of part debt into equity:

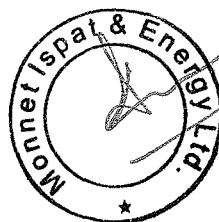
As mentioned above, an amount of INR 215.20 crores (rounded off) forming part of the admitted debt held by the assenting secured and unsecured financial creditors of the Company will be converted into equity shares of the Company and allotted to such assenting secured and unsecured financial creditors of the Company in proportion to the Admitted Debt held by such assenting secured and unsecured financial creditors at INR 10 per equity share.

(ii) Capital Reduction:

After the conversion of debt into equity as mentioned in (i) above, there will be a complete extinguishment of the entire equity share capital held by the existing promoters of the Company. The remaining paid-up and subscribed equity share capital of the Company held by non-promoter shareholders will be reduced on a proportionate basis to 33.06% of its original value without any payout and subsequently, the equity shares with the reduced face value of INR 3.3 per equity share will be consolidated into equity shares of face value of INR 10 each and such consolidated equity shares will be allotted and issued to the equity shareholders of the Company entitled to the same. In addition to the above, the paid-up and subscribed preference share capital of the Company will be cancelled and extinguished in full without any payout to the holders of the preference shares.

Further to the undertaking submitted by the Consortium to the NCLT and as directed by the NCLT, no retail shareholders of the Company as existing on the date of the order of the NCLT shall be eliminated pursuant to such capital reduction and subsequent consolidation.

The capital reduction will be deemed to be effective at the commencement of business hours on the 'Effective Date'.



(iii) Merger

As mentioned above, MSL is a special purpose vehicle which has been set up and capitalised directly/indirectly by members of the Consortium for the purpose of implementation of the Resolution Plan.

In accordance with the Resolution Plan, MSL will merge with and into the Company pursuant to which, the equity and preference shareholders of MSL will be issued equity shares and compulsorily convertible preference shares ("CCPS") of the Company in the following share exchange ratio:

For every 1 equity share having a face value of INR 10 each held in MSL, the equity shareholders of MSL will be issued 1 equity share of the Company having face value of INR 10 each and for every 1 CCPS having a face value of INR 10 each held in MSL, the CCPS holders of MSL will be issued 1 CCPS of the Company having face value of INR 10 each.

The merger of MSL with and into the Company will be deemed to be effective at the commencement of business hours on the 'Effective Date' immediately after the capital reduction is deemed to be effective in the manner set out in (ii) above.

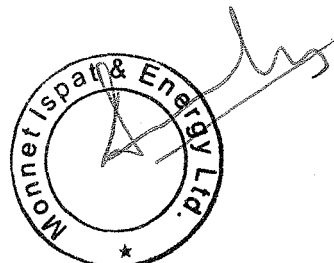
Upon implementation of the Resolution Plan, the Consortium members will directly or indirectly hold equity shares amounting to approximately 74.29% of the paid-up equity share capital of the Company. The other shareholders of the Company will continue holding the balance equity shares amounting to approximately 25.71% of the Company's paid-up equity share capital. The Consortium will also hold CCPSs aggregating to INR 525.98 crore in MIEL.

d) ***Reclassification of existing promoters into public and of the incoming shareholders as promoters***

Pursuant the acquisition of the Company by the Consortium as set out above, the shareholding of the existing promoters/ promoter group of the Company will be completely extinguished and they will no longer, directly or indirectly, exercise control over the affairs of the Company.

Furthermore, upon the acquisition of the Company by the Consortium, the shareholders of the MSL, to whom equity shares of the Company will be issued pursuant to the merger, will acquire control over the Company.

Accordingly, pursuant to the provisions of Regulation 31A (9) of the LODR Regulations, the Company hereby informs the stock exchanges that the existing promoters/ promoter group of the Company are proposed to be declassified as promoters and shareholding of the incoming shareholders pursuant to the merger described hereinabove in accordance with the Resolution Plan is proposed to be classified as promoter shareholding pursuant to the acquisition of the Company under the Resolution Plan.



e) **Change in the Board of the Directors of the Company**

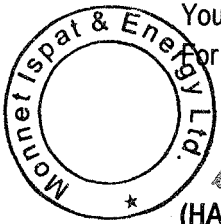
As provided in the Resolution Plan and approved by the Hon'ble NCLT, until the Company is acquired by the Consortium, the Company will be managed by an interim board of directors appointed by the steering committee approved by the COC. The existing board of directors of the Company shall be deemed to have resigned and shall have no role in the management and control of the Company.

Upon the acquisition of the Company by the Consortium in accordance with the Resolution Plan, a new board of directors of the Company will be constituted with adequate representation from the members of the Consortium and independent directors in compliance with applicable law.

This is for your information and records.

Yours faithfully,

For **MONNET ISPAT & ENERGY LIMITED**




(HARDEEP SINGH)
COMPANY SECRETARY