



Monnet Ispat & Energy Limited

Envisioning Growth.....

Enriching Lives.....



SPONGE IRON

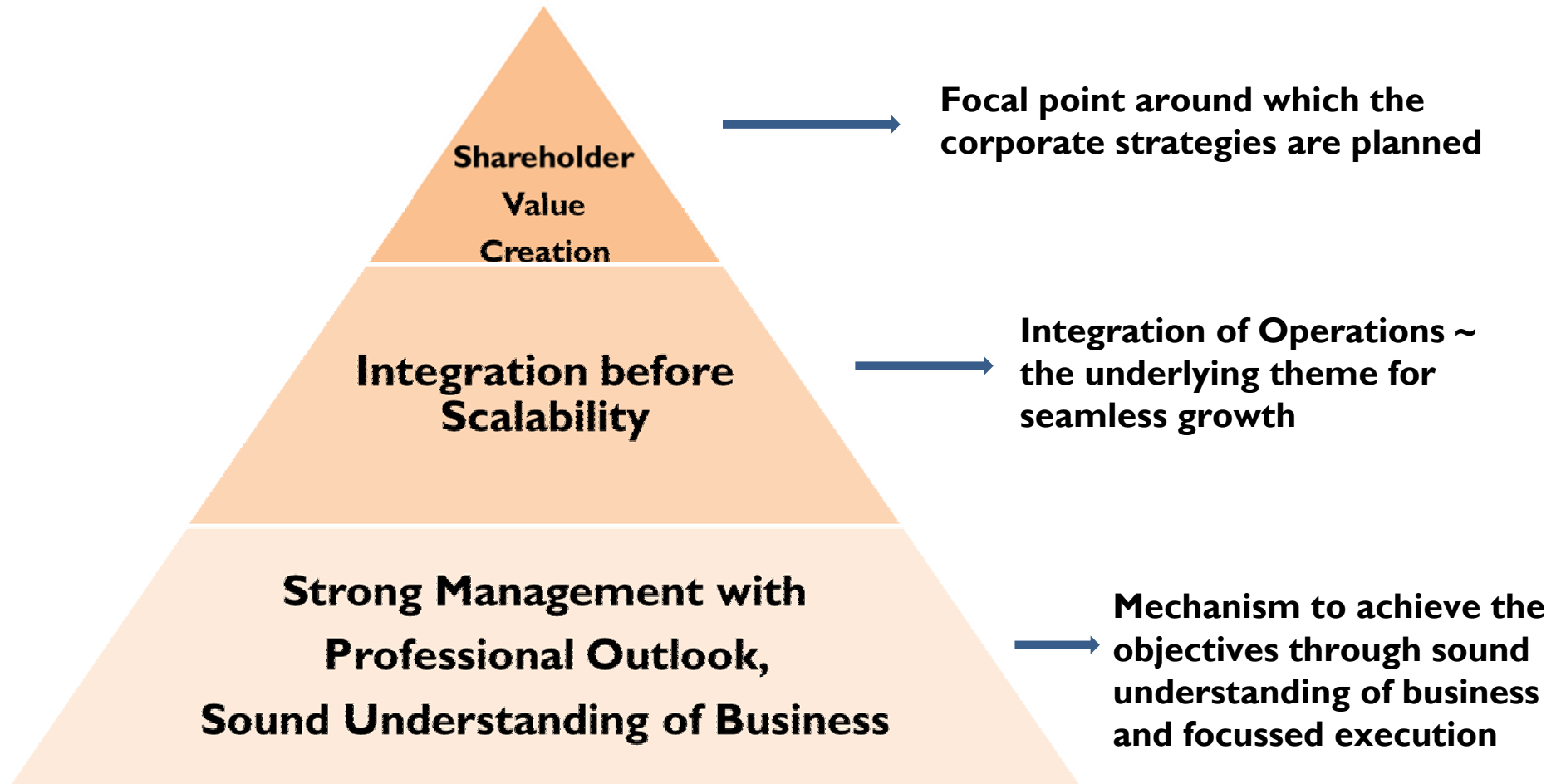
STEEL

POWER

MINING

FERRO ALLOYS

Corporate Philosophy



Snapshot – Monnet Group

- ✓ Engaged into 3 major Business Verticals:
 - ✓ **Sponge Iron & Steel**
 - ✓ **Mining (Coal)**
 - ✓ **Power Generation**
- ✓ Second largest coal based sponge iron producer in India.
- ✓ Coal Mining: One of the established players in Mining Business right from conceptualization to operations (Mining, Washing & Testing and Delivery).
- ✓ Currently operating the single largest underground coal mine in India
 - ✓ In the process of developing additional coal and iron ore mines.
- ✓ An integrated and a cost competitive set of operations
 - ✓ Focus on Forward & Backward integration
 - ✓ One of the most cost competitive companies.

Snapshot – Monnet Group

- ✓ Captive Power Capacity of 150 MW (240 MW by Q4FY11) & a pipeline of additional captive capacities and IPP's under execution.
- ✓ Consistently shown strong growth - Over the last 7 years, MIEL has achieved:
 - ✓ **Revenue CAGR of 35%**
 - ✓ **EBIDTA CAGR of 37%**
 - ✓ **PAT CAGR of 45%**
- ✓ Balanced cash flows driven by Steel, Power and Mining

Capacities – Monnet Group

Existing Capacities (MIEL)

In 'mn tpa'

Product	Sponge Iron	MS Steel	Structural	Coal	Ferro Alloys	Power
Annual Capacity	0.86	0.30	0.20	1.00	0.06	150 MW

Under Execution MIEL

Facility	Capacity (mn tpa)
Pellet Plant	1.20
Sinter	0.90
Blast Furnace	0.61
Coke Oven	0.40
Sponge Iron	0.22
SMS ~ 1st unit	0.78
SMS ~ 2nd unit	0.78
Power	80 MW
Structural/ Bar Mill	0.75
Plate/Steckel Mill	0.75

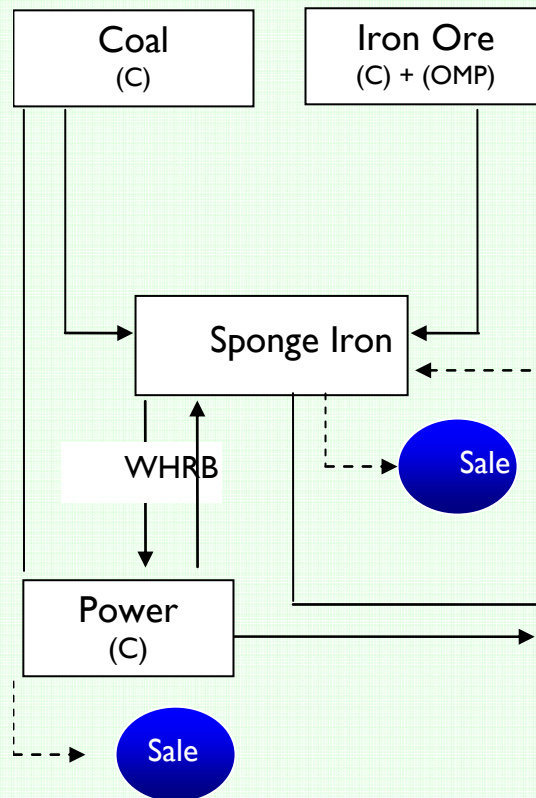
Under Execution MPCL

Facility	Capacity (MW)
Phase I	525
Phase II	525

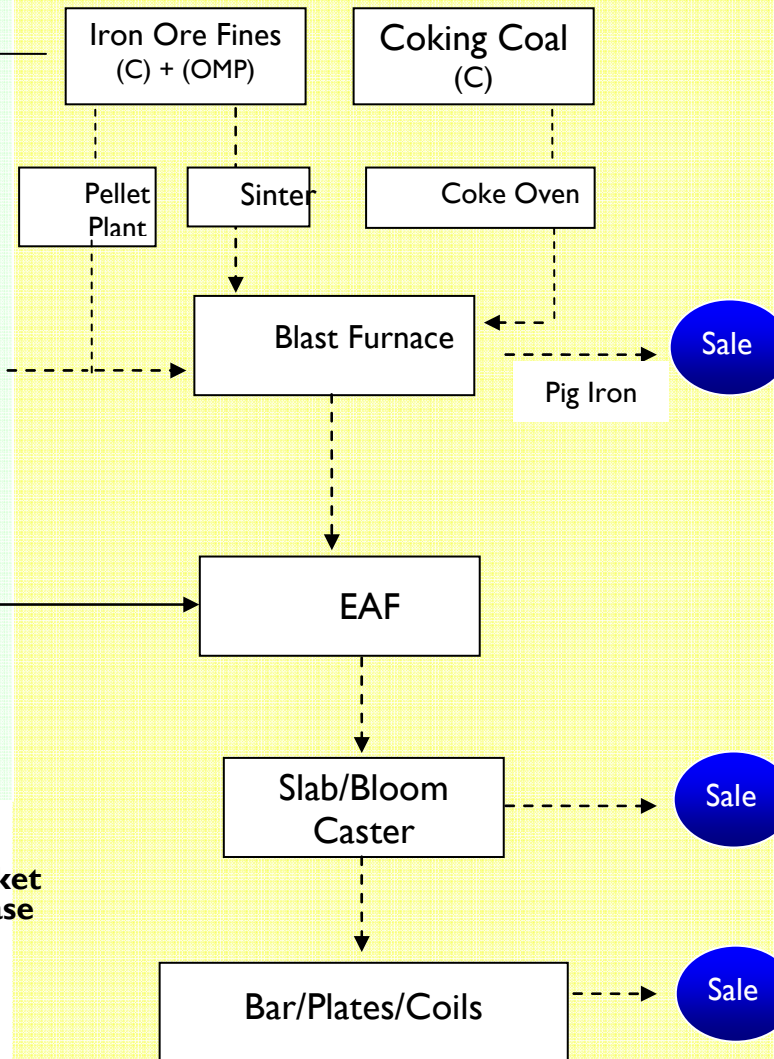
De-risking the business model through Integration

A Cost Competitive Theme

CURRENT Business Model



PROPOSED Business Model



Current facilities
 Upcoming facilities
Sale Represents stages in steel value chain wherein the output at that stage shall be 'saleable' in nature

(C) – Captive
(OMP) – Open Market Purchase

Captive mines strategic for operational Efficiencies

Mine	Reserves (Mn tonnes)	Status of Development
Milupara, Mand Raigarh Coal Field, Raigarh	<p>86 (annual extraction of 1.0 mtpa)</p>	<ul style="list-style-type: none"> ▶ Underground mine; first of its kind to be allotted in the private sector ▶ Major reserves of high grade coal (B to D) ▶ Currently operational with an annual extraction capacity of 1.0 mtpa and in the process of being scaled up to 1.5 mtpa
Utkal B2, Angul, Orissa	<p>85 (Planned to be developed to have annual extraction capacity of 3.5 mtpa)</p>	<ul style="list-style-type: none"> ▶ Open Cast ▶ Comprise of E,F grade of coal (power grade coal) ▶ Low stripping ratio – 1:1 ▶ Majority of land acquisition completed ▶ Forest clearance I and environment clearance obtained ▶ Forest clearance II and Mining lease expected to be shortly ▶ Extraction to commence in FY 2011-12

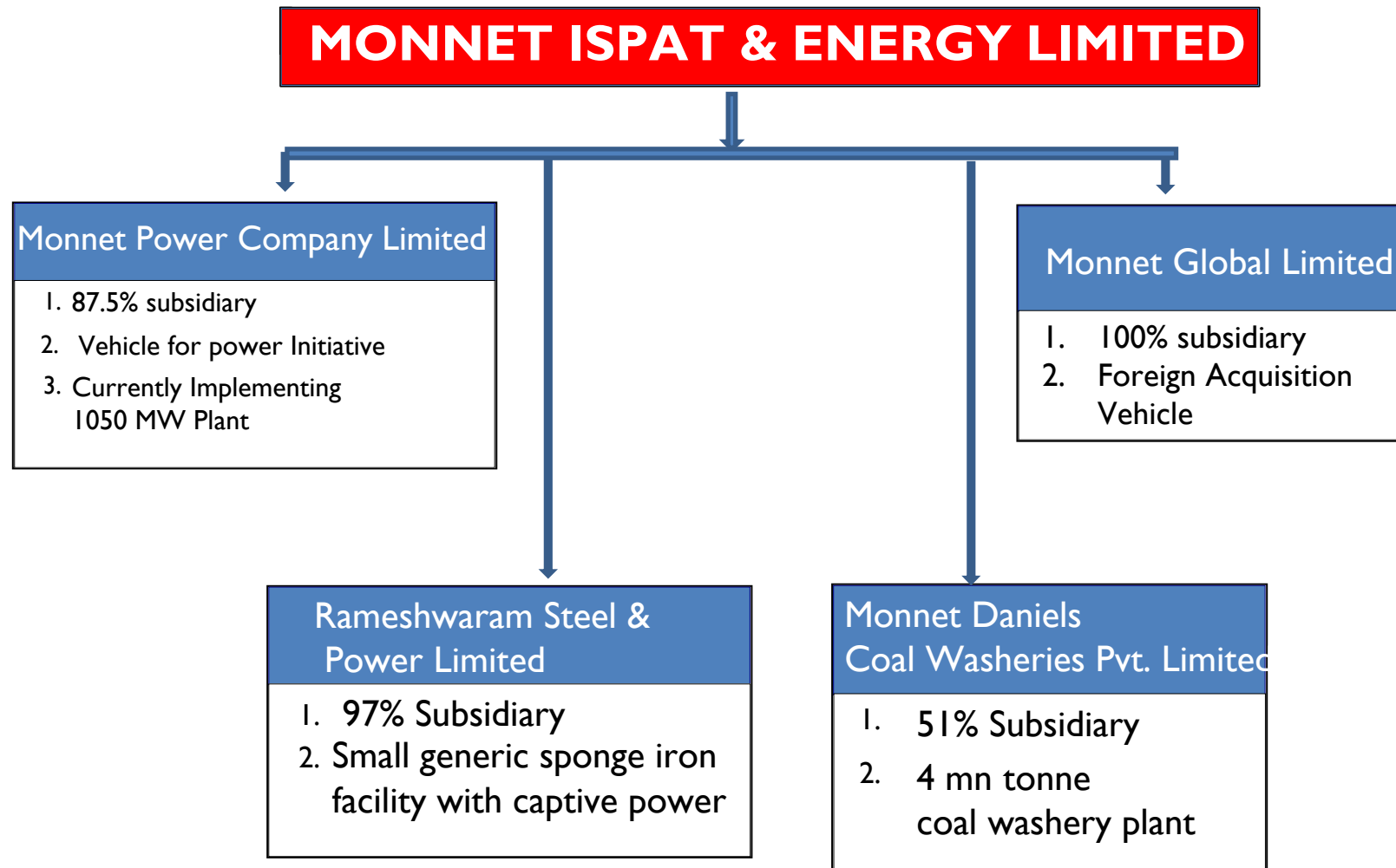
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Mine	Reserves (Mn mtpa)	Status of Development
Mandakini, Talcher, Orissa (Coal)	Total – 290.5 a) MIEL’s share – ~ 97 mn tonnes b) Mine Development Plan 5.0 mtpa (MIEL’s share)	<ul style="list-style-type: none"> ▶ Open Cast mine ▶ Comprise of E,F grade of coal (power grade coal) ▶ In an equal JV with Tata Power and Jindal Photo ▶ Land acquisition in process ▶ Environment clearance for part development (upto 7.5 mtpa) already obtained ▶ Forest clearance, in process; expected to be achieved by end of 2011 ▶ Expected date of mining lease – December 2012 ▶ Commencement of commercial extraction from FY 2012 – 13
Iron Ore Mine	30 (annual extraction expected at 0.8 mtpa)	<ul style="list-style-type: none"> ▶ Underground mine ▶ Comprise of Iron Ore with Fe content of 64-66 ▶ Land acquisition, forest and environment clearance in process ▶ Environment clearance expected by September 2011 ▶ Expected date of mining lease – December 2012

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Mine	Reserves (Mn mtpa)	Status of Development
Rajgamar (Coal)	Total ~ 61.7 MIEL's share ~ 49.9	<ul style="list-style-type: none"> ▶ Underground mine ▶ Comprise of B to E grade of non-coking coal ▶ JV agreement successfully executed with JV partner and submitted to Secy.-coal, Ministry of Coal ▶ Geological report procured ▶ Forest and Environment clearance are in process ▶ Expected date of mining lease – June 2013
Urtan – North, Sohagpur Coalfields, Madhya Pradesh (Coking Coal)	Total ~ 69.8 MIEL's share ~ 23.3	<ul style="list-style-type: none"> ▶ Underground mine ▶ Primarily a Coking Coal mine ▶ JV agreement successfully executed with JV partner and submitted to Secy.-coal, Ministry of Coal. ▶ JV. Company incorporated in March 2010 ▶ Geological report to be procured ▶ Expected date of mining lease – June 2013

Group Structure



Monnet Power Company Limited (MPCL)

- ✓ Forayed into Power Segment through a subsidiary of Monnet Ispat & Energy Limited.
- ✓ Presently setting-up first power project of 1,050 MW which would help in accessing low cost fuel supply through its captive coal mines.
- ✓ Blackstone International bought 12.5% equity stake in 1050 MW IPP, project at Angul, Orissa.
- ✓ Further rollout of capacity to 3,000 MW by 2015.
- ✓ One amongst the 12 MoUs signed for power projects and the second fastest in terms of development.
- ✓ Pithead power project requiring **negligible cost on transportation of raw material** (coal).

Implementing 1050 MW IPP under MPCL

Land Acquisition	85% of total requirement
MOEF Clearance	Obtained
Water	Final approval has been received.
Financial Closure	Achieved
Equipment's	<ul style="list-style-type: none">• BTG equipment has been ordered from BHEL.• Balance of Plant (BOP) order issued to Indure in March 2010
Power Evacuation Agreement	Executed with PGCIL
Power Purchase Agreement	Tied – up (upto an extent of 85%)
Implementation	<ul style="list-style-type: none">• 1st Phase (525 MW): Second half of FY 13• 2nd Phase (525 MW): Second half of FY 13

Plans to augment power generation capacity to 3000 MW by 2015

- ✓ **660 MW in Orissa:**
 - ✓ At the existing/ adjacent site of 1050 MW Power Plant at Angul, Orissa.

- ✓ **300 MW in Chhattisgarh:**
 - ✓ Close to the existing facilities and in proximity to the existing Underground Mine.

- ✓ **Over 1,000 MW in Coastal Area.**

Emerging Power Scenario in India

- ▶ Indian power demand will rise from 120 GW as on date to 335 GW in 2017
 - ▶ \$600 billion opportunity to emerge across the value chain by 2017
 - ▶ The sector has the potential to present an annual EBITDA pool of \$135 billion to \$160 billion by 2017
 - ▶ Largest value creation opportunity residing in generation
- ▶ Demand Drivers:
 - ▶ Rapid growth in the manufacturing sector
 - ▶ High growth in residential consumption (14%)
 - ▶ Increased grid connectivity of villages through inclusion schemes like RGGVY and Bharat Nirman
 - ▶ Opportunity to meet demand suppressed by load shedding

Steel Business Scenario

- ▶ India today is the 3rd largest producer of steel globally during CY' 09.
- ▶ Producing about 63 mn tonnes of steel a year, today India accounts for approx. 6% of the world's total.
- ▶ India was amongst the only two countries, out of the top ten producers of crude steel, to record a positive growth during CY'09.
- ▶ Presently, Indian steel capacity is about 75 mn tonnes, which is expected to increase over 100 mn tonnes by FY' 12
- ▶ Indian steel demand to rise to 123 mn tonnes by FY' 21 supported by an average GDP growth of 8%.

Sponge Iron Business Scenario

- ▶ India has a total installed capacity of 33.3 MM MTPA of which 25.3 MM MTPA is coal-based capacity and the rest is gas based *
- ▶ Coal-based sponge iron manufacturing, is a highly fragmented business with more than 200 players in the space
 - ▶ MIEL is the 2nd largest coal-based sponge iron manufacturers in India, 2nd to Jindal Steel & Power
 - ▶ Sponge iron prices have corrected sharply post last commodity run

* Data as of March 31, 2009

Financials

Financial Highlights

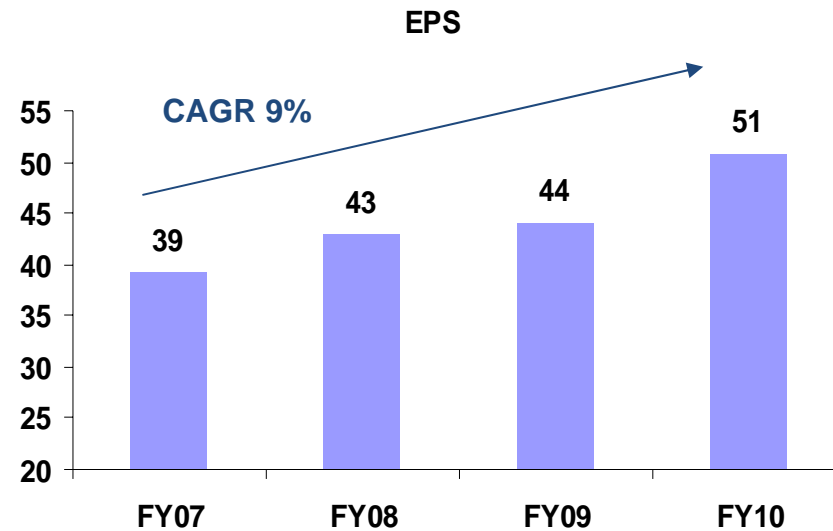
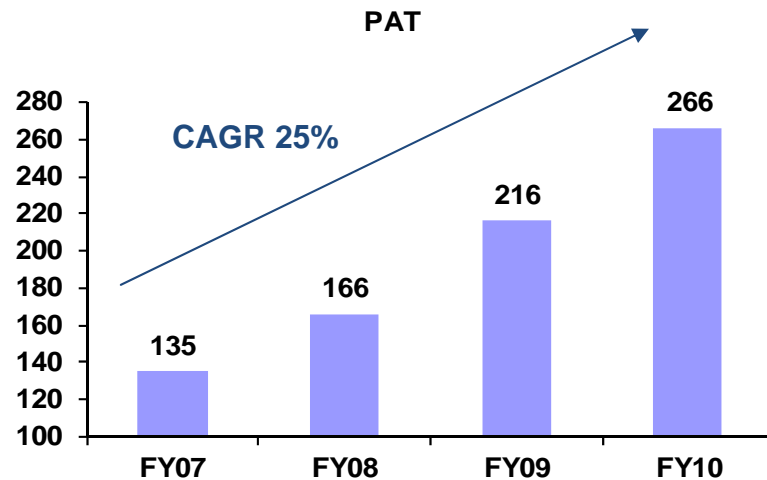
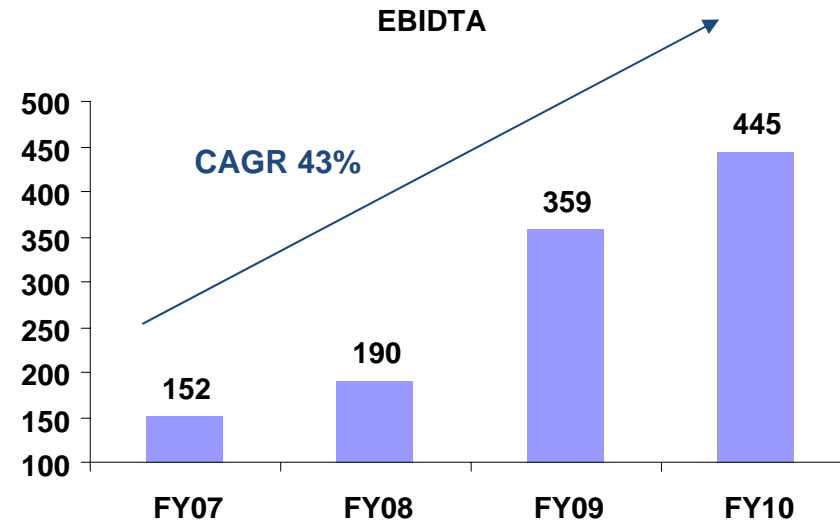
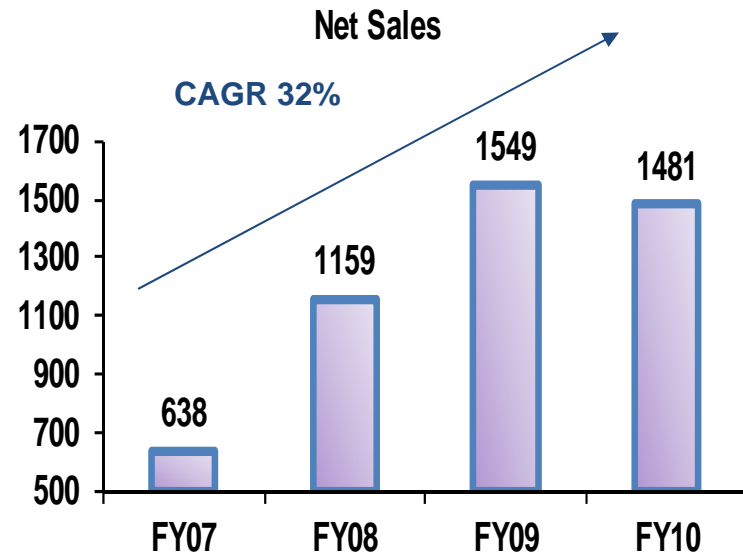
Value in Rs. In Crores

PARTICULARS	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11 (9 months)
	Audited	Audited	Audited	Audited	Audited	(Un-Audited)
Sales	532	638	1159	1548	1481	1128
Expenditure	365	414	860	1143	975	775
EBIDTA	171	225	297	405	477	353
Interest	22	27	36	72	74	32
EBDT	167	198	267	338	403	321
Depreciation	25	33	45	65	72	55
PBT	122	166	221	270	331	266
PAT	106	135	166	216	269	209
Cash Profit	135	180	239	301	347	268
Net Worth	410	572	1089	1287	1673	1991

Key Ratios

PARTICULARS	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11 (9 months)
	Audited	Audited	Audited	Audited	Audited	(Un-Audited)
Operating Margin	28%	31%	24%	26%	32%	31%
ROCE	23%	26%	25%	29%	29%	30%
DE Ratio (with FCCB)	1.90	1.60	0.81	0.79	0.63	0.70
DE Ratio (Without FCCB)	0.66	0.76	0.71	0.72	0.58	0.65
Book Value of Share	126	166	226	268	318	320
Cash Profit	135	180	239	301	347	268
Net Worth	410	572	1089	1287	1673	1991
Price to Book (As of last date of period))					1.34	1.76

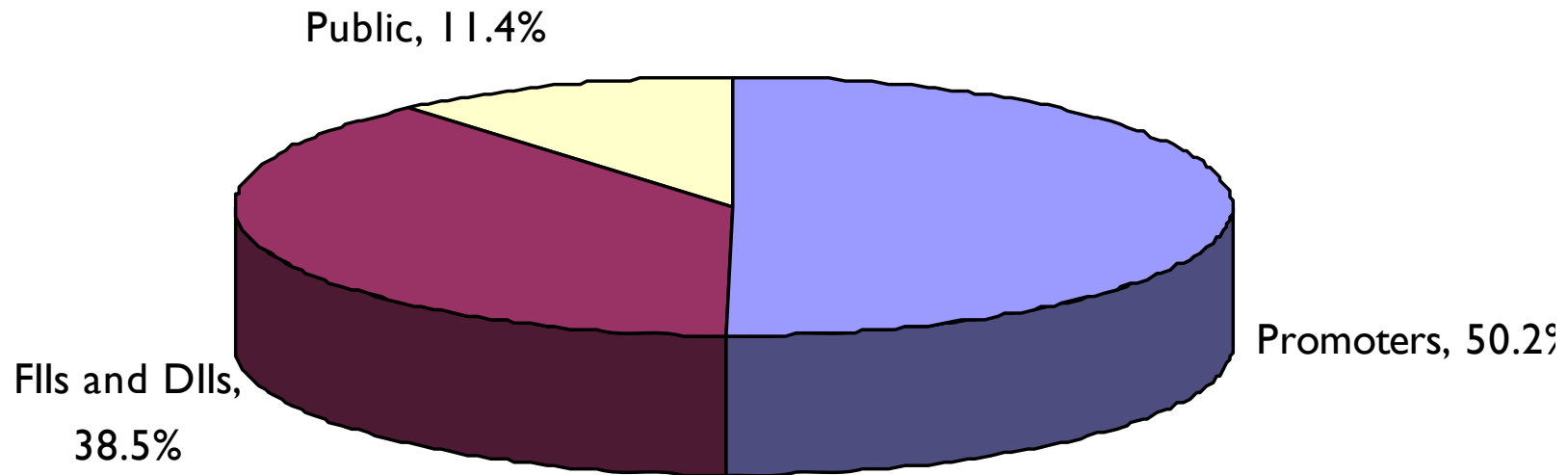
Growth Momentum



Board of Directors

Board Member	Designation	Background
Mr. M.S. Gujral	Chairman	Former Chairman of Railway Board and Coal India Ltd.
Mr. Sandeep Jajodia	Executive Vice Chairman & MD	Promoter
Mr. C.P. Baid	Dy. Managing Director	Former CEO (Sterlite Energy); Former Director in Sesa Goa
Mr. K.K. Khanna	Executive Director	Former Director – Technical of Steel Authority of India Ltd.
Mr. G.C. Mrig	Director	Former Chairman of Bharat Coking Coal Ltd.
Mr. P.L. Nene	Director	Former Chairman, MPSEB
Mr. Ajay Relan	Director	One of the Founding Directors of CX Advisors Private Limited.
Mr. J. P. Lath	Director	Professional in Commercial/ Corporate Matters

Shareholding Pattern (Fully Diluted)



The above shareholding pattern is post dilution of company's equity after taking into consideration the outstanding warrants and convertible bonds.

Investment Highlights

- ▶ Scalable capacity of Mineral Assets under Development
- ▶ Emerging as significant Power Player in the country.
- ▶ One of the most Integrated and Cost Competitive player in the steel sector.
- ▶ Balanced Risk Business Model in Steel, Power & Mining.
- ▶ Visibility of profitability & cash flows.
- ▶ All regulatory approvals in place for ongoing projects.
- ▶ All projects stands financially closed.

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