

Annual Report 2008-09

Plan. Execute. Grow.



The growth of an organization is not a push-button phenomenon! It takes time and careful nurturing, it calls for unwavering focus and the will to win.

The growth process at Monnet has been sustained and stable because it has always been preceded by systematic planning and execution. From kick-starting operations as a sponge iron & steel making entity, Monnet is emerging as a significant presence in infrastructure. We have consolidated existing operations, expanded our base, and diversified into new fields like power and cement. All the while, we haven't rested... raising the bar with every new activity.

The mantra of success, as we see it, is simple.

Plan. Execute. Grow.



Our Vision

- ▶ To achieve holistic leadership in terms of cost, quality and customer satisfaction in a systematic & planned manner.
- ▶ A symbol of corporate excellence with strong focus for benefitting stakeholders and society at large.

Our Mission

- ▶ To achieve total integration in operations with global cost & quality standards with the use of latest technology and to be perceived as the "preferred" choice of our customers.
- ▶ To build a team of motivated and dedicated workforce, with high work ethos.
- ▶ To strive to emerge as an ideal corporate citizen.





Executive Vice-Chairman &
Managing Director's Message

*“The Monnet Group’s
rise up the value chain
is propelled by the
three ‘I’s ... Intuition,
Imagination and
Innovation.”*

Dear Shareholders,

The unprecedented economic downturn across the world during the previous financial year has left its ripples on corporate and business performance, essentially in Commodity Industry across the globe. It is, however, heartening to witness the sound performance of your company in these turbulent times - registering impressive growth in both topline and bottomline. Our progression from last year's turnover of Rs. 1000 crores to over Rs. 1500 crores in the current year presents a growth trajectory that is expected to spell even greater rewards in the years to come.

Our concentrated efforts in Raipur and Raigarh have established us as a frontranking Integrated Sponge Iron Manufacturer. Looking beyond, we are consolidating our presence in the industry as a meaningful integrated Steel Player by implementing a completely integrated steel facility at Raigarh. Besides, our Power venture under the umbrella of Monnet Power Co. Ltd. (MPCL) has taken off with its first Mega Power project of your Company.

Surely, it is the spirit of dynamism that propels your company forward - the same spirit that has helped develop a team that is raring to put our futuristic blueprint into a realistic canvas. I invite you to ride the exciting journey ahead...tomorrow is calling!

Sandeep Jajodia



Corporate Update

MONNET TODAY

Monnet is an industrial conglomerate born out of a conviction. It is this strength of conviction that makes us the second largest coal-based Sponge Iron manufacturer with thriving facilities in Raipur and Raigarh in the State of Chhattisgarh.

Today, Monnet has a combined capacity of 0.86 million TPA of Sponge Iron, 0.3 million TPA of Steel, 0.06 million TPA of Ferro Alloys and power generation facility of 150MW besides running the largest underground coalmine in the Country. Pursuing balanced integration, we have acquired additional coal mining rights at Raigarh. Our profitability is a result of judicious use of indigenous technology, backward & forward integration and economies of scale.





TEAM MONNET

Our growth plans have been fuelled by our workforce. As we expanded vertically and horizontally, we added strength to our organizational structure by inducting seasoned professionals in each field of activity - be it steel, mining or power. Such diverse specialists make Monnet a picture of multi-faceted excellence.

FUTURE, EMPOWERED

Monnet's growth story is marked by natural progression. Our 1.2 million TPA steel manufacturing facility coming up at Raigarh is at an advanced stage of implementation. Brisk progress is being made in the setting up of an additional 80 MW Power Plant at Raigarh. Yet another mega venture will be completed on schedule - a 1050 MW Independent Power Plant under the banner of Monnet Power Company Ltd.

Quite simply, we are empowering the future. With our mettle, and our metal!



Financial Highlights

(Rs. In Crores)

	2005-2006	2006-2007	2007-2008	2008-2009
Equity Capital	32.49	34.34	47.99	47.96
Sales	532.27	637.80	1159.07	1548.73
EBITDA (Profit Before Dep., Int. & Tax)	147.85	198.86	300.30	406.63
EBITDA Margin (%)	27.77	31.18	25.91	26.26
Net Profit after Tax	105.85	134.79	166.16	216.00
Cash Profit	136.76	180.41	238.69	304.41
Dividend (%)	45	45	50	50
Earning per share (in Rs.)	33.28	39.36	42.98	44.22
Book value per share (in Rs.)	126.19	166.25	226.85	268.20
Shareholders' Funds	410.09	570.94	1088.76	1286.26

Board of Directors

Shri Mohinder Singh Gujral	Chairman
Shri P.L. Nene	Non Executive Director
Shri G.C. Mrig	Non Executive Director
Shri J.P. Lath	Non Executive Director
Shri V.N. Kedia	Non Executive Director
Shri Sandeep Jajodia	Executive Vice-Chairman & Managing Director

Board Committees

Audit Committee

Shri M.S. Gujral, Chairman
Shri P.L. Nene, Member
Shri G.C. Mrig, Member
Shri V.N. Kedia, Member
Shri M.P. Kharbanda, Secretary

Finance Committee

Shri Sandeep Jajodia
Shri J.P. Lath

Remuneration Committee

Shri M.S. Gujral
Shri G.C. Mrig
Shri J.P. Lath

Company Secretary

Shri M.P. Kharbanda

Registered Office

Monnet Marg, Mandir Hasaud,
Raipur - 492101 (Chhattisgarh)

Works

Unit-I

Monnet Marg, Mandir Hasaud,
Raipur - 492 101 (Chhattisgarh)

Unit-II

Village - Naharpali,
Tehsil Kharsia, Dist. Raigarh
Chhattisgarh

Coalmine

Village - Milupara, Block-Tamnar,
Distt. Raigarh, Chhattisgarh

Corporate Office

MONNET HOUSE,
11, Masjid Moth, Greater Kailash Part-II
New Delhi-110048
MIEL Corporate Website : www.monnetgroup.com

Investors' Grievance/ Shareholders Committee

Shri M.S. Gujral
Shri Sandeep Jajodia
Shri J.P. Lath

Executive Committee

Shri Sandeep Jajodia
Shri J.P. Lath

Share Transfer Committee

Shri J.P. Lath
Shri V. N. Kedia
Shri M.P. Kharbanda

Bankers

Bank of Baroda
Barclays Bank PLC
Citibank N.A.
DBS Bank Ltd.
HDFC Bank Ltd.
Hongkong and Shanghai Banking Corp. Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
ING Vysya Bank Ltd.
Jammu & Kashmir Bank Ltd.
JP Morgan Chase Bank N.A.
Punjab National Bank
Standard Chartered Bank
State Bank of Bikaner & Jaipur
State Bank of India
State Bank of Indore
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
UCO Bank

Auditors

M/s. O.P. Bagla & Co.
Chartered Accountants, New Delhi

Investor Services Centre (ISC)

MONNET HOUSE
11, Masjid Moth
Greater Kailash Part-II
New Delhi-110048.
Ph-011-29218542-46, Fax-011-29218541
e-mail : isc_miel@monnetgroup.com

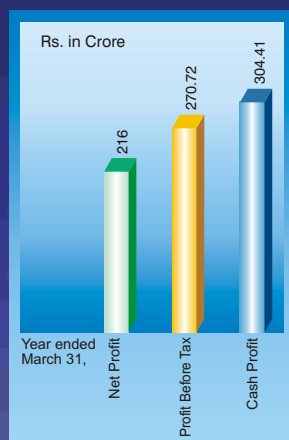
Directors' Report

For the financial year ended 31st March, 2009

Your Directors submit their report for the financial year ended 31st March, 2009.

Sales, Profits, Dividends & Retention

[Rs. in Crores]



	2009	2008
Sales (Net of Excise) & Other Income	1596.39	1207.44
Profit before depreciation	336.02	265.26
Depreciation	65.30	44.49
Profit for the year	270.72	220.77
Provision for taxation	30.61	25.18
Provision for deferred taxation	23.10	28.04
Provision for FBT	1.27	0.58
Income Tax Adjustment	6.26	-0.80
Profit after taxation	216.00	166.17
Cash Profit	304.40	238.70
Profit brought forward from previous year	443.43	322.40
Profit available for appropriation	659.43	488.57
Dividend 50% (2007-08: 50%)	23.98	24.31
Tax on Dividend	4.08	4.13
Transfer to General Reserve	22.00	16.70
Transfer to Debenture Redemption Reserve	5.72	-
Surplus carried to Balance Sheet	603.65	443.43

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