





Night view of the Raipur Plant

Evolving the Power of Energy

It has been a journey of change - changes in our breadth of activity, changes in asset composition, changes in outlook. Our growth pattern and performance parameters are driven by our ready acceptance of new thought and action. And we do believe that it is transition that has brought us this far - and will take us even further.

Today, our ability to manage change has broadened our vision and helped us emerge as a leading presence in infrastructure... a vision way beyond being a successful and integrated steel and power manufacturing entity.

Transition, for us, is a constant process... but nothing is more constant than our goal of excellence!





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 future will belong to those with the Power of Vision and the Strength of Will to identify and explore growth opportunities in sync with national growth.”

Emerging from the ripples of the unprecedented economic downturn that had enveloped the world, the Steel Industry in India has witnessed a stable balance of demand, supply and pricing parameters - opening up exciting horizons for your company.

It is with confidence that we step into a future of promise. Your company is evolving into a steel making major with emphasis on raw material integration - enabling it to leverage its inherent strengths. The year ahead will see us galvanizing our forces and spreading our territory. Monnet's ongoing expansion of the steel capacity to 1.5 million tonnes will help us emerge amongst India's most competitive and integrated companies.

While our initial foray into Power was more a backward integration initiative to attain power self-sufficiency for our steelmaking facilities, our strides are bigger and bolder now. We have made a distinctive mark in the Infrastructure Sector with starting of work of the 1050 MW greenfield power plant at Angul under the banner of our subsidiary - Monnet Power Company Limited. With the captive availability & a low-cost coal resource, it would emerge as one of the lowest-cost power generating companies in India. On the anvil are subsequent projects that will usher your company into a new era, energising our endeavours in Evolving the Power of Energy.

Your company registered a growth of about 25% during the year on the same capacities of Sponge Iron, Steel & Power. We believe it is our rational product mix, revenue optimization and cost control measures that have made a difference to our bottomline. We hope to maintain the same momentum of growth in the current year too.

Along side our business, happiness has always been a key product in Monnet's portfolio. Beyond the horizons of industry, your company is touching lives with healthcare facilities, drinking water facilities, education and roads in the surrounding villages at our plants at Raipur and Raigarh.

As we walk along the path of growth, we urge you to share our aspirations and achievements. Together, we look forward to a brighter future !

Sandeep Jajodia



→ Corporate Update

Vertical growth. Horizontal spread.

The growth story of Monnet has always been one of natural progression. The business philosophy of the group, right from the beginning, has been to develop integrated facilities in order to remain cost effective and acquire core competence in the niche areas of business. As a result, the company's business today is clearly emerging on 3 major verticals - Steel, Power and Mining. The focus of the company in future would be to make a homogenous development of all these verticals of business.

The 1.5 million TPA Steel manufacturing facility coming up at Raigarh will catapult the company to become a major steel player and it will be one of the most cost-competitive steel making facilities in the 'raw material to end product' chain. The full benefit of this expansion will start reflecting on the bottomline of the company from the financial year 2012 onwards. The completion of the steel mill will transit the company from a 2nd largest coal based Sponge Iron player to a value added Steel Company with captive availability of coal, iron ore & power.

On the Power front, what started as a backward integration initiative to ensure self sufficiency for the Steel making operations, has now emerged as a major vertical of our business. Already an additional 80 MW Power Plant at Raigarh is nearing completion which would



Bird's eye view of the Raipur Plant



increase the in-house Power capacity to 230 MW which is based on a judicious blend of waste heat recovery and captive coal, making it a low cost, high efficiency operation.

Surging ahead, Monnet has now made an impressive foray into the infrastructure sector with the commencement of construction of a 1050 MW Independent Power Plant under the banner of Monnet Power Company Limited - our subsidiary. Plans are already at an advanced stage to set up more Greenfield Independent Power Plants.


There is increasing emphasis on the development of Coal and Iron Ore Mines as we see a tremendous value unlocking from the mineral resources under the control of the company. Monnet is also in the process of developing atleast 2 Coal Mines and a Iron Ore Block which would provide a rich reserve to the group's foray into the infrastructure sector.

Focus on Human Resources

The company is also putting in place a robust organization structure backed by a strong team of managers from different areas of experience. The management bandwidth has been broadened with the recent induction of people at various levels to respond to the challenges of exponential growth happening in the company.



Financial Highlights



| | (Rs. In Crores) | | | |
|--|-----------------|-----------|-----------|-----------|
| | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
| Equity Capital | 34.34 | 47.99 | 47.96 | 54.48 |
| Sales | 637.80 | 1159.07 | 1548.73 | 1480.70 |
| EBITDA (Profit Before Dep., Int. & Tax) | 198.86 | 300.30 | 406.63 | 477.33 |
| EBITDA Margin (%) | 31.18 | 25.91 | 26.26 | 32.24 |
| Net Profit after Tax | 134.79 | 166.16 | 216.00 | 269.10 |
| Cash Profit | 180.41 | 238.69 | 304.41 | 346.40 |
| Dividend (%) | 45 | 50 | 50 | 50 |
| Earning per share (in Rs.) | 39.36 | 42.98 | 44.22 | 53.64 |
| Book value per share (in Rs.) | 166.25 | 226.85 | 268.20 | 307.20 |
| Shareholders' Funds | 570.94 | 1088.76 | 1286.26 | 1673.05 |





Board of Directors

Chairman

Shri Mohinder Singh Gujral

Executive Vice Chairman & Managing Director

Shri Sandeep Jajodia

Dy. Managing Director

Shri C.P. Baid

Executive Director

Shri K.K. Khanna

Non Executive Directors

Shri G.C. Mrig

Shri Ajay Relan

Shri P.L. Nene

Shri J.P. Lath

Shri V.N. Kedia

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

Investors' Grievance/ Shareholders Committee

Shri M.S. Gujral

Shri Sandeep Jajodia

Shri J.P. Lath

Finance Committee

Shri Sandeep Jajodia

Shri J.P. Lath

Executive Committee

Shri Sandeep Jajodia

Shri J.P. Lath

Remuneration Committee

Shri M.S. Gujral

Shri G.C. Mrig

Shri J.P. Lath

Share Transfer Committee

Shri J.P. Lath

Shri V. N. Kedia

Shri M.P. Kharbanda

Company Secretary

Shri M.P. Kharbanda

Auditors

O.P. Bagla & Company

Chartered Accountants, New Delhi

Registered Office

Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh - 492101

Works

- Unit-I** - Monnet Marg, Mandir Hasaud, Raipur-492101
- Unit-II** - Village Naharpali, Tehsil Kharsia, Distt. 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

Bankers

Bank of Baroda

Citibank N.A.

IDBI Bank Ltd.

IndusInd Bank Ltd.

ING Vysya Bank Ltd.

Jammu & Kashmir Bank Ltd.

Punjab National 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

Yes Bank Ltd.

Investor Services Centre (ISC)

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Inside view of the Raigarh Plant