MESCO STEEL
Partnering Progress

MS CERT
ACC.No M41510081K
ISO 9001:2008

Date: 05th December, 2020

To,
The General Manager,
Listing Operation,
BSE Limited, P.J. Towers,
Dalal Street, Mumbai – 400 001

To,
The Listing Department
Calcutta Stock Exchange
7, Lyons Range
Kolkata-700001

Scrip Code: 540744

Sub.: Regulations 30 and 34 - Submission of Notice of the 27th Annual General Meeting (AGM) and Annual Report of the Company for the year ended 31st March 2020

Dear Sir,

With reference to the above captioned matter and pursuant to Reg. 30 and Reg. 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 we are submitting herewith with this letter, soft copy of Annual Report 2019-2020 containing Notice & Annual Accounts for the financial year ended on 31st March 2020.

The said Annual Report is also available on the website of the Company i.e. www.mescosteel.com.

This is for your information and records.

Thanking you,
For **Mideast Integrated Steels Limited**

Priyanka Chugh
Company Secretary cum Compliance Officer

Encl: AA

MIDEAST INTEGRATED STEELS LIMITED

ANNUAL REPORT 2019-2020

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CORPORATE INFORMATION

Board of Directors

Chairperson cum Managing Director:
Mrs. Rita Singh (DIN 00082263)

Jt. Managing Director :
Mrs. Natasha Sinha (DIN 00812380)

Additional Director
Mr. Vishwambhar Nath Tiwari[*1]*
(DIN: 08719133)
1: Appointed w.e.f 06.03.2020

Independent Directors:
Mr. Sanjiv Batra (DIN:00602669)
Mr. Gurjeet Singh Jawandha (DIN: 00213573)
Mr. Hawa Singh Chahar (DIN: 01691383)

Chief Financial Officer
Mr. Manas Pahi
manaspahi@mescosteel.com

Company Secretary cum Compliance Officer
Ms. Priyanka Chugh
priyankachug@mescosteel.com

Registrar and Transfer Agent
M/s Skyline Financial Services Pvt. Ltd
Address: D-153A,Okhla Industrial Area,
Phase-I, New Delhi Tel: +91 40450193-95
Email: admin@skylinerta.com

Plant Location
Kalinga Nagar Industrial Complex, Khurunti, P. O. Danagadi - 755026 Dist. Jajpur, Odisha

Mines Location
Panchvati, P.O: Barbil Road, Barbil,
Keonjhar- 758035, Odisha

Other Offices
- Mesco Towers, 3915, Lewis Road, Kedar Gauri Square, Bhubaneswar-751014
- 16, Strand Road, Diamond Heritage, 14th Floor, Room-1412, Kolkata- 700001

Secretarial Auditor
For Tripti Shakya & Company
Company Secretaries
G 2 316, Sector 4, Vaishali,
Ghaziabad, Uttar Pradesh 201 010

Company Information
CIN: L74899DL1992PLC050216
H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048
Tel: +91 (11) 40587085
Website: www.mescosteel.com

Statutory Auditors
M/s Arun Todarwal & Associates LLP,
Chartered Accountants
104, Maker Bhavan No. 3, 1st Floor
21, New Marine Lines Mumbai-400020
Tel.: 022-43023305/22083115

Internal Auditor
Mr. Ranjit Kumar Barik

MIDEAST INTEGRATED STEELS LIMITED

CIN: L74899DL1992PLC050216
Registered Office: H-1, Zamrudpur Community Centre,
Kailash Colony, New Delhi-110048
Website: www.mescosteel.com, **Tel No**.:011-40587085

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of the Company will be held on **Wednesday, 30th December, 2020 at 11:00 AM through Video Conferencing/ other Audio Visual Means to transact the following business :-**

ORDINARY BUSINESS

1. To receive, consider and adopt audited Financial Statements for the year ended March 31, 2020, together with reports of the Directors and the Auditors thereon and the Consolidated Financial Statements for the year ended March 31, 2020 along with the Auditors' Report thereon.

2. To appoint a Director in place of Mrs. Natasha Sinha (DIN00812380), Jt. Managing Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 152,161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vishwambhar Nath Tiwari (DIN 08719133), who was appointed as an Additional Director of the Company with effect from March 06, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is here by appointed as an Executive Director of the Company liable to retire by rotation."

4. To re-appoint Mr. Gurjeet Singh Jawandha (DIN: 00213573) as an Independent Director and if thought fit, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr.

Gurjeet Singh Jawandha (DIN: 00213573), who was appointed as an Independent Director at the 22nd Annual General Meeting of the Company and who holds office up to conclusions of 27th Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing from the date of 27th Annual General Meeting for a term up to conclusion of 32nd Annual General Meeting of the Company in the calendar year 2025.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration of Rs. 1,00,000 (Rupees One Lakh only) plus applicable Goods and Service Tax and reimbursement of out of pocket expenses subject to maximum of Rs. 15,000 (Rupees Fifteen Thousand Only) be and is hereby approved to M/s S.S. Sonthalia & Co, Cost Accountants, (Firm Registration No 00167) who were re-appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section188 of the Companies Act, 2013 ("the Act") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (LODR) Regulations 2015) (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Sr. No	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/KMP who is related and nature of their relationship	Name of the Related Party	(Rs. in Crore)	
				Receipts	Payments
1	sale, purchase or supply of Blooms, Billets, Sponge Iron, Pig Iron, Scrap, Coal or any other goods and all other types of services to be received incidental to such sale, purchase or supply	Maithan Ispat Limited is subsidiary of the Company	Maithan Ispat Limited	500	
2	purchase of iron ore or any other goods and all other types of services to be received incidental to such sale, purchase or supply	Mrs. Rita Singh, Director of the company and Mrs. Natasha Sinha, Jt. Managing Director of the company are common director and promoters carry shareholding interest	Mesco Steels Limited	200	
3.	purchase of coke or any other goods and all other types of services to be received incidental to such sale, purchase or supply	Mrs. Rita Singh, Director of the Company, is a promoter carrying shareholding interest	Mesco Kalinga Steels Limited	250	

Sr. No	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/KMP who is related and nature of their relationship	Name of the Related Party	(Rs. in Crore)	
				Receipts	Payments
4	Leasing/sublease/rent for office sharing of property	Mrs. Rita Singh, Director of the Company, is a promoter carrying shareholding interest	Mesco Kalinga Steels Limited	-	0.10
5	Leasing/sublease/rent for office sharing of property	Mrs. Natasha Sinha, Jt. Managing Director of the company, is a common director and promoter carrying shareholding interest	Mesco Hotels Limited	-	0.10
6	Hiring of Vehicle	Mrs. Rita Singh , Director of the company, is a common director and promoter carrying shareholding interest	Mesco Logistics Limited	-	0.10

7	Hiring of Vehicle	Mrs. Rita Singh, Director of the company and Mrs. Natasha Sinha, Jt. Managing Director of the company are common director and promoters carrying shareholding interest	Mesco Steels Limited	-	0.10

RESOLVED FURTHER THAT the Board and audit committee be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed purchase, sale or supply of goods or materials, Leasing/ sublease/ rent for office sharing of property, hiring of vehicle (the "transactions"), either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transactions and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.

RESOLVED FURTHER THAT any director of the Company be and is hereby authorized to negotiate, finalize and execute and sign the abovementioned agreements and schedules, attachments, documents, appendixes and other writings in respect thereof, including any amendment there to for and on behalf of the Company."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

"Resolved that in pursuance of Section 181 of the Companies Act read with applicable rules of the Companies Act and any other applicable provisions or modifications or reenactment thereof for the time being in force and subject to Articles of Association of the Company, the consent of the members be and is hereby given to the Board of Directors to make contribution or donation for an amount not exceeding 5,00,00,000 (Rs. Five Crores only) in one or more tranches in the year 2020-2021 to any bona fide Charitable Fund/Trust/Society or any other Non-Profit Organization without obtaining any further consent from the Members. "

RESOLVED FURTHER THAT any of the director of the Company be and is hereby authorized on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, appropriate or desirable and to sign and execute all the necessary documents, applications, forms including e-forms and returns with the Registrar of Companies and/or any other authorities, as may be required, for the purpose of giving effect to this resolution."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person in whom any of the Directors of the Company is interested/deemed to be interested, up to an amount of Rs. 500 Crore (Rs. Five Hundred Crores) at any point of the time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

By order of the Board
For and on behalf of
Mideast Integrated Steels Limited

Rita Singh
Chairperson cum Managing Director
DIN: 00082263

Place: New Delhi
Date: 05.12.2020

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 3 to 8 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed hereto.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.mescosteel.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
7. Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited, by sending a mail at admin@skylinerta.com/ info@skylinerta.com for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may send an e-mail request at the email id admin@skylinerta.com/ info@skylinerta.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

8. **The Register of Members and Share Transfer Books of the Company will remain closed from 24th December, 2020 to 30th December, 2020 (both days inclusive).**
9. Members are requested to note that, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, all unclaimed/ unpaid dividends in respect of financial years 2011-12 have been transferred to IEPF. This is to be further informed that the dividend amount declared for 2012-13 is also liable to be transferred to IEPF Account and the company had already intimated the shareholders to claim the Dividend Amount for 2012-13 latest by 30th October, 2020, failing which that the amount will be transferred to IEPF Account.

   The MCA had notified the IEPF Rules, 2016 effective from 7th September, 2016. Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28th February, 2017 (''IEPF Rules, 2017''). The Rules, contain provisions for transfer of all those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in the account of the IEPF Authority.

   In terms of the said Rules, the Company has already transferred to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in Financial Year 2019-20.

   Accordingly, the Company would be transferring every year to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years. Members who have so far not encashed the Dividend for seven consecutive years are advised to submit their claim to the Company's RTA at the aforesaid address immediately quoting their folio number/ DP ID & Client ID, to avoid of transfer of their shares to IEPF Authority. The details regarding the amount transferred or liable to be transferred and the shares which were transferred to IEPF authority is given on the website of the Company ie. www.mescosteel.com.
10. In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Skyline Financial Services Private Limited in case the shares are held by them in physical form.
12. **To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Skyline Financial Services Pvt Ltd. in case the shares are held by them in physical form. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and the Registrar and Share Transfer Agent of**

the Company – Skyline Financial Services Private Limited, in case the shares are held by them in physical form.

13. Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with Registrar & Transfer Agent on physical folios.

On account of threat posed by COVID-19 and in terms of the above mentioned MCA Circulars and SEBI Circular, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

i. Shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily get their email address and mobile number provided with the Company's RTA, by sending a request at email id: admin@skylinerta.com/ info@skylinerta.com. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, please refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.

15. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for the financial year 2019-20 will also be available on the Company's website, www.mescosteel.com, for their download. For any communication, the members may also send requests to the Company's Investor email Id: priyankachug@mescosteel.com.

16. Any person, who acquires shares of the Company and become Member of the Company after sending of the Notice and holding shares as of the cutoff date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.

17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

18. Procedure to raise questions/seek clarifications with respect to Annual Report:

i. As the AGM is being conducted through VC/OAVM, Members are encouraged to express their views/ send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail Id, Mobile number at priyankachug@mescosteel.com to enable smooth conduct of proceedings at the AGM. Questions/Queries received by the Company on or before Thursday, 24th December, 2020 on the aforementioned e-mail Id shall only be considered and responded to during the AGM.

ii. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id/Folio No., PAN, mobile number at

priyankachug@mescosteel.com on or before Thursday, 24th December, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

iii. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

19. The instructions for shareholders voting electronically are as under:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system on the date of the AGM will be provided by NSDL

1. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mescosteel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
2. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 27th December, 2020, at 09:00 AM and ends on Tuesday, 29th December, 2020 at 05:00 PM. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

1. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

2. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

i. Once the vote on a resolution is cast by the Member, such Member will not be allowed to change it subsequently.

ii. A person who is not a Member as on cut-off date should treat this Notice for information purpose only.

iii. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz Thursday, 24th December, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.

iv. CS Tripti Shakya (ACS 50667, CP 23251), Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a

person authorised by him in writing, who shall countersign the same. The Results declared along with the report of the Scrutinizer will be placed on the website of the Company, www.mescosteel.com and on the website of NSDL, i.e., www.evoting.nsdl.com immediately after the declaration of result by the Chairman or Managing Director or any one Director of the Company. The results shall also be immediately forwarded to BSE Limited, where the equity shares of the Company are listed.

v. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM, i.e., 30thDecember, 2020.

20. General Guidelines for shareholders

a. Institutional Shareholders (i.e., other than individuals /HUF, NRI etc.;) are required to send a scanned copy (PD/JPG Format) of the relevant Board Resolution / Authority Letter etc with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to triptishakyacs2017@gmail.com with a copy marked to e-voting@nsdl.co.in and admin@skylinerta.com.

b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mahatre at evoting@nsdl.co.in.

21. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

22. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at priyankachug@mescosteel.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at priyankachug@mescosteel.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

23. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., 30th December, 2020. Members seeking to inspect such documents can send an email to priyankachug@mescosteel.com.

24. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

25. Pursuant to Regulation 36 of the SEBI (LODR) Regulations 2015 and Secretarial Standard 2 Issued by ICSI, the brief profile of Director eligible for appointment/re-appointment vide item no. 2, 3 and 4 is as follows:-

Particulars	**Mrs. Natasha Sinha**	**Mr. Gurjeet Singh Jawandha**
DIN	00812380	00213573
Age	47 Years	74 Years
Date of Birth	25.09.1971	15.10.1946
Qualifications	Economic Hons	Post-graduation in A.L.T.P.
Expertise in specific functional areas	Mrs. Natasha Sinha holds a B. A. (Economics) degree and having more than 20 years' experience. She is currently working as Jt. Managing Director and has been successfully managing the company. She is also actively associated with the aviation, shipping & mines businesses of the group.	Ex Member Advisory Committee to Punjab Government on Aviation Ex-Civil Pilot A.L.T.P License. Ex Air Force Officer.
Directorships in other Companies	1.Pahardia Gold Mining Limited 2. Mesco India Limited 3.Mesco Steels Limited 4. Mesco Mining Limited 5.Mesco Logistics Limited 6.Happy Associates Private Limited 7.Chhindwara Coal Washing Pvt Ltd	1. Futuristic Investments Private Limited 2. JAV Build Invest Pvt Ltd
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil	NIL
Number of shares held in the Company	2300	-
Relationship with any Director(s) of the Company	Daughter of Mrs. Rita Singh, MD of the Company	Not related with any Director of the Company
Terms & Conditions of Appointment	Re-Appointment subject to retirement by rotation	Re appointment subject to not to retire by rotation
Remuneration Details	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report.	-
No. of Board meetings attended out of 6 meetings held during the year	4	5

Particulars	Mr. Vishwambhar Nath Tiwari
DIN	08719133
Date of Birth	25.12.1965
Date of appointment	06.03.2020
Qualifications	A Mechanical Engineer (DME) of 1984 batch (U.P. Technical Board Lucknow)
Expertise in specific functional are	He is having a rich experience of 34 Years in the field of Power Generations, Power Plant Projects, Energy Management & other Utilities. He was associated with B.K. Birla Group, Jubilant Orgnasoys Ltd and was also working with Maithan Ispat Limited. His practical exposure in different areas will help the company to grow.
Directorships in other Companies	-
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	-
Number of shares held in the Company	-
Relationship with any Director(s) of the Company	-
Terms & Conditions of Appointment	Appointment subject to retire by rotation.
Remuneration Details	The remuneration details are mentioned in Appointment letter, available for inspection.
No. of Board meetings attended out of 6 meetings held during the year	-

By order of the Board
For and on behalf of
Mideast Integrated Steels Limited

Rita Singh
Chairperson cum Managing Director
DIN:00082263

Place: New Delhi
Date: 05.12.2020

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statements as required under Section 102 of the Companies Act, 2013, setting out all material facts relating to the business under Item Nos. 3 to 8 of the accompanying notice dated 05th December, 2020.

ITEM NO. 3:

The Board of Directors has appointed Mr. Vishwambhar Nath Tiwari (DIN: 08719133) as an Additional Director of the Company w.e.f March 06, 2020 pursuant to Section 161(1) of the Companies Act, 2013("the Act"). In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Vishwambhar Nath Tiwari (DIN: 08719133) will hold office only upto the date of ensuing Annual General Meeting. The Company has also received DIR-2 and DIR-8 as per the requirement of Companies Act, 2013.

Mr. Vishwambhar Nath Tiwari (DIN: 08719133) being eligible and offering himself for appointment, is proposed to be appointed as Executive Director liable to retire by rotation

Copy of the draft letter of appointment of Mr. Vishwambhar Nath Tiwari (DIN:08719133), Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day till the date of AGM.

The Board of Directors of your Company recommends the resolution in relation to appointment of Mr. Vishwambhar Nath Tiwari (DIN: 08719133) as an Executive Director, for the approval by the shareholders of the Company.

Except Mr. Vishwambhar Nath Tiwari (DIN:08719133), no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3

Item No. 4

Based on recommendation, the Board of Directors proposes the appointment of Mr. Gurjeet Singh Jawandha (DIN 00213573) as an Independent Director, for a second term of five years from 27th AGM of the Company till conclusion of 32nd AGM of the Company, not liable to retire by rotation. Mr. Jawandha was appointed as Independent Director at the 22ndAnnual General Meeting ("AGM") of the Company. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director. The Board considers that given his background, experience and contribution, the continued association of Mr. Gurjeet Singh Jawandha (DIN 00213573) would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Jawandha has done Post Graduation in A.L.T.P. He is an Ex Member of Advisory Committee to Punjab Government on Aviation Ex civil Pilot A.L.T.P. License. He was an Ex Air Force Officer.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Jawandha as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 4 of this Notice for approval of the Members. Except Mr. Gurjeet Singh Jawandha, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 4 of the Notice.

Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s S. S. Sonthalia & Co, Cost Accountants, Orissa as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ended March 31, 2021 at a remuneration of Rs. 1,00,000 (Rupees One Lakh Only) plus service tax and reimbursement of out of pocket expenses subject to maximum of Rs. 15,000 (Rupees Fifteen Thousand Only). The said auditors have given their eligibility certificate for appointment as Cost Auditors. In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2021 as specified herein above for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution. The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6

As per the provisions of Section 188(1) of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 all material related party transactions require approval of the shareholders and the related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transactions or not. In the light of provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2 (76) of the Companies Act, 2013). The Particulars of the transaction pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 are as under:

Name of the Related Party Name of the Director or Key Managerial Personnel who is related, if any Nature of Relationship	As provided in table below:

Sr. No.	Name of the Related Party	Name of the Director/KMP who is related and nature of their relationship
1.	Maithan Ispat Limited	Maithan Ispat Limited is subsidiary of the Company
2.	Mesco Steels Limited	Mrs. Rita Singh, Director of the Company and Mrs. Natasha Sinha, Jt. Managing Director of the company are common director and promoters carry shareholding interest
3.	Mesco Kalinga Steels Limited	Mrs. Rita Singh , Director of the Company, is a promoter carrying shareholding interest
4.	Mesco Hotels Limited	
5.	Mesco Logistics Limited	Mrs. Rita Singh, Director of the Company, is a common Director and promoter carry shareholding interest

Nature, material terms, monetary value and particulars of the contract or arrangement: The details are as mentioned below:

1. Sale, Purchase & Services to be received from Maithan Ispat Limited, Mesco Kalinga Steels Limited and Mesco Steels Limited.

S.No	Particulars	Maithan Ispat Limited	Mesco Kalinga Steels Limited	Mesco Steels Limited
1.	**Sale/Purchase Price:**	The price for purchase and sale of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions		
2.	**Payment Schedule:**	To be determined by both the parties by mutual consent.		
3.	**Nature, material terms and particulars of the arrangement:**	All the Contracts/transactions are at best negotiated terms/market price.		

4.	**Duration of the Contract:**	The agreement is valid for a period of 1 year
5.	**Any other information relevant or important for the members to take a decision on proposed transaction:**	NA

2. Leasing/subleasing/rent for office sharing of property:

The Company has entered/ propose to enter into agreements with respective related parties for leasing/ subleasing/ office sharing of the property, at such locations where either the property / office or part thereof is/are lying unutilized. The details of such arrangement(s) are mentioned herein below:

Name of the related party	Particulars	Maximum Amount per annum (in Crore)
Mesco Hotels Limited	Existing agreement for sharing of office space of a premise situated at Kedar Gouri Square, Bhubaneswar. The amount being charged for the said services is fixed after considering all the relevant factors and are on arms length basis	0.10
Mesco Kalinga Steel Limited	Existing agreement for sharing of office space of a premise situated at Hill View, Kalinga Nagar, Jajpur Odisha. The amount being charged for the said services is fixed after considering all the relevant factors and are on arms length basis	0.10

3) Hiring of Vehicle:

The Company has entered into agreements with respective related parties for hiring vehicle on lease for official use. The details of such arrangement(s) are mentioned herein below:

Name of the related party	Particulars	Maximum Amount per annum(in Crore)
Mesco Logistics Limited	Existing agreement for hiring Mercedes S-500 For company use. The amount being charged for the said services is fixed after considering all the relevant factors and are on arms length basis	0.10
Mesco Steels Limited	Existing agreement for hiring Mercedes E-280 For company use. The amount being charged for the said services is fixed after considering all the relevant factors and are on arm's length basis	0.10

Any other information relevant or important for the Board/Members to take a decision: The respective resolution placed above is entered on arm's length basis and all factors relevant to the respective contracts have been considered by the Board. Documents relating to above resolution shall

be available for inspection by the members at the Registered Office of the Company during the normal business hours (10 am to 6 pm) on all working days (except Saturdays) upto the date of Annual General Meeting of the Company. The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 6 shall be entitled to vote on this special resolution. Except Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution. The Board therefore recommends the Special Resolution set out in Item No. 6

Item No. 7

In accordance with the Section 181 of the Companies Act, 2013 read with any rules made thereunder, the Company is required to obtain approval of members before making any contribution to any charitable trusts or other funds for an amount exceeding 5% of the average net profits for the three immediately preceding financial years. The section also requires that the charitable trust should be a bona fide / registered charitable trust.

The Company shall identify bonafide / registered charitable trusts in India from time to time to whom it would like to donate some funds. In light of the above and as per the said section, prior permission of the members of the Company is sought to be obtained to enable the Company to make donations and contributions to various registered /bona fide charitable trusts.

Except Mrs. Rita Singh and Mrs. Natasha Sinha, none of the other Director, Key Managerial personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

Item No. 8

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018 In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

The management is of the view that the Company may be required to invest surplus funds, if available in its wholly owned subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required.

Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) (Indian or overseas) or other body

corporate(s)in whom any of the Directors of the Company is interested up to an aggregate amount of Rs. 500 Crore (Five Hundred Crores) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more. The Board of Directors recommends resolution as set out in item No. 8 for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

By order of the Board
For and on behalf of
Mideast Integrated Steels Limited

Rita Singh
Chairperson cum Managing Director
DIN:00082263

Place: New Delhi
Date: 05.12.2020

DIRECTORS REPORT

To

The Members
Mideast Integrated Steels Limited

Your Directors are pleased to present 27th Annual Report and the Statements of Accounts for the financial year ended on March 31, 2020.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2020 along with previous year's figures is given hereunder:

(Rs. in Mn)

	Standalone		Consolidated	
Particulars	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Gross Sales	4737.00	8702.00	4750.00	12510.00
Profit/(Loss) Before Finance Cost & Depreciation	**(414.00)**	**212.00**	**(487.00)**	**261.00**
Interest/ Finance Cost	17.00	46.00	106.00	1089.00
Depreciation	562.00	564.00	823.00	824.00
Other Income	456.00	411.00	479.00	838.00
Profit/(Loss) before Tax	**(537.00)**	**13.00**	**(937.00)**	**(814.00)**
Tax Expense	60.00	52.00	60.00	52.00
Profit/(Loss) After Tax	**(597.00)**	**(39.00)**	**(997.00)**	**(866.00)**
Appropriations / Adjustments	-	-	-	-
Balance of profit / (loss) brought forward	2900.00	2937.00	391.00	472.00
Profit for the year	**(597.00)**	**(39.00)**	**(992.00)**	**(863.00)**
Re-measurement gains/(losses) on defined benefit plans	1.00	1.00	-	-
Proposed Final dividend	-	-	-	-
Profit carried to the Balance sheet	**(2304.00)**	**2899.00**	**(1383.00)**	**(391.00)**

The Figures have been rounded off to nearest Million.

2. FINANCIAL PERFORMANCE HIGHLIGHTS

Standalone Operations:

During the year under review, the Company's net revenue from operations was Rs. 4017.44 Million as against Rs. 7383.45 Million in the previous financial year. The Company's Profit before Depreciation Interest and Tax ("PBDIT") is Rs. (414.19) Million in the financial year ended 31st March, 2020 as opposed to PBDIT of Rs 212.06 Million in the immediate previous financial year.

Taking into account depreciation and interest cost, profit before tax (PBT) stood at Rs. (537.69) Million as against Rs.13.38 Million in the previous financial year and total comprehensive income for the year was Rs. (596.37) Million as against Rs. (37.82) Million in the previous financial year.

Consolidated Operations:

During the year under review, the Company's net revenue from operations was Rs. 4029.33 Million as against Rs. 10621.91 Million in the previous financial year. Further, in the financial year ended 31st March, 2020, profit before tax (PBT) was Rs. (936.68) Million as against Rs. (814.02) Million in the previous financial year and profit after tax (PAT) was Rs. (996.68) Million against Rs. (866.02) Million in the previous financial year.

The performance and financial position of the subsidiary company is included in the consolidated financial statements of the Company.

3. COMPANY'S WORKING DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS

In financial year 2020, Gross Sales decreased by around 46% to Rs. 4017.74 Million from Rs. 7383.45 Million in the previous financial year ended 2019. Stoppage of Pig Iron plant was due to iron ore mineral availability constraint as well as working capital shortfall which lead to decrease of sales. This is mainly reason for the negative impact on performance of the company. Company has incurred a loss of Rs. 596.37 Million as compared to the loss of Rs. 37.82 Million in the previous financial year 2019.

4. SUBSIDIARY COMPANY

Subsidiary as on March 31, 2020, the Company has one wholly owned subsidiary namely Maithan Ispat Limited. A statement containing the salient features of the financial statements of the subsidiary in the Form AOC-1 is attached with the financial statements of the Company as per the requirement of Section 129(3) of the Companies Act, 2013.

Maithan Ispat Limited (MIL), the subsidiary company, billet and sponge iron plant is under shut down since February 2019 and no major business activities have been done during the audit period. The revenue substantially decreased to Rs 17.49 Million from Rs. 4318.91 Million from previous financial year 2018-19. The loss for the financial year 2019-20 was Rs. 399.00 Million as against Rs 1214.51 Million in previous financial year 2018-19. Maithan Ispat Limited has got hold on Operations letter from its lead Bank, State Bank of India to start operations and is planning to resume operations in the next few months by March 2021.

5. CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

6. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserves during the Year.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to regulations 34 of the Listing Regulations, Management's Discussion and Analysis Report for the year is presented in a separate section forming part of the Annual Report.

8. SHARE CAPITAL

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2020, it stood at Rs. 1378.75 Million divided into 13,78,75,000 equity shares of Rs. 10/- each. The Company has neither issued shares with differential rights as to dividend,

voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. No disclosure is required under Section 67(3) (c) of Companies Act, 2013 in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

9. DIVIDEND

Due to loss incurred during the financial year ended March 31, 2020, your directors have not recommended any dividend for the financial year ended March 31, 2020.

10. ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is in the prescribed Form No. MGT-9. The same is available on www.mescosteel.com/admin/investor/2019-20.pdf.

11. PUBLIC DEPOSIT

The company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

12. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2019-20, the Board of Directors of the Company met 6 times i.e. on June 21, 2019, August 13, 2019, November 13, 2019, November 29, 2019, February 25, 2020 and on March 23, 2020. The gap between two consecutive meetings did not exceed one hundred twenty days. Further, a separate Meeting of the Independent Directors of the Company was also held on February 25, 2020.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3) (c) and 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
b. we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the same period;
c. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. we have prepared the annual accounts on a going concern basis;
e. we have laid down internal financial controls in the Company that are adequate and are operating effectively; and
f. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that these are adequate and are operating effectively.

14. DECLARATION OF INDEPENDENCE

The Company has received the necessary declaration from each Independent Director who is part of Board confirming that;

i. They meet the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made there under and Regulation 25 of SEBI Listing Regulations,

2015. Independent Directors have also confirmed that they are not aware of any circumstances or situations, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge his duties with an objective independent judgment and without any external influence and that they are independent of the Management.

ii. Further, Independent Directors have complied with the Code for Independent Directors prescribed in schedule IV of the Companies Act, 2013 ('ACT'). Directors and senior management personnel have complied with the code of conduct laid down by Board for all members of board of directors and senior management of the listed entity. and

iii. Registered themselves with the Independent Directors' Databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

15. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee Comprises of 3 Independent Directors as Members. Three meetings were held during the financial year under review on August 13, 2019, November 29, 2019 and on February 25, 2020. More details on the committee are given in the Corporate Governance Report.

16. NOMINATION AND REMUNERATION POLICY

Company's Policy on Director's Appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013, there has been no change in the Policy since the previous financial year. Given below is the link on the website of company where in complete policy is placed http://www.mescosteel.com/admin/investor/Nomination%20and%20Remuneration%20Policy.pdf.

17. AUDITORS

a. Statutory Auditors

M/s Arun Todarwal & Associates LLP, Chartered Accountants (Firm Regn. No. W100291) was appointed as the Statutory Auditors of the Company to hold office for a period of 4 (Four) Years from the conclusion of 25th Annual General Meeting of the Company till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2022. The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to the Companies (Amendment) Act, 2017 notified on May 07, 2018.

During the year the statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013.

Auditor Report was qualified for the Financial Year 2019-20. The replies to same were also given at given Point No. 21. The statement on impact of audit qualifications for the financial year ended March 31, 2020 along with Management's replies thereon has been filed with BSE too.

b. Cost Auditor

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board, at its meeting held on 11th September, 2020, on the recommendation of the Audit Committee, has appointed M/s. S. S. Sonthalia & Company (Firm Regn. No. 00167), Cost Accountants to conduct the audit of the cost accounting records of the Company for financial year 2020-2021 on a remuneration of Rs. 1,00,000/- plus taxes as applicable and reimbursement of

actual travel and out-of-pocket expense subject to maximum of Rs. 15,000/-. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The due date for filing the Cost Audit Report of the Company for the previous financial year ended 31 March 2019 was 30 September 2019 and the Cost Audit Report was filed in XBRL mode.

c. Secretarial Auditor

During the year under review, Mr. Robinderpal Singh Batth, Practicing Company Secretary (Certificate of Practice No.3836), who was appointed as the Secretarial Auditor of the Company has tendered his resignation from the post of Secretarial Auditor. Due to the casual vacancy caused by his resignation, M/s Tripti Shakya & Company was appointed as Secretarial Auditor for the year 2019-20. M/s Tripti Shakya & Company has issued the audit report in respect of the secretarial audit of the Company for the previous financial year ended March 31, 2020. The Secretarial Audit Report is annexed as **Annexure-A** to this Report. Given Below is the management's reply on the observations made by the Secretarial Auditor in their Report. Further she is also appointed as Secretarial Auditor for the FY 2020-2021.

Observation No. 1:
In terms of Securities and Exchange Board of India Circular No. Cir/ISD/3/2011, the 100 percent Promoter's holding is to be in dematerialized form. Promoter holding is not in 100% Demat form.

Management's Reply:
Company is in receipt of declaration from promoters that the shares which are not in demat form are pending adjudication of dispute before judicial/quasi-judicial authorities and same would be dematted once the dispute is resolved/settled"

Observation No. 2
In the Year 2018-19, the Company has altered the Memorandum of Association of the company under section 61 of the companies Act, 2013 by increasing the Authorized Share capital of the company from Rs 1,400,000,000/- (Rupees One Hundred Forty Crore Only) divided into 140,000,000 (Fourteen Crore Only) equity shares of Rs. 10 (Rupees Ten Only) each to Rs 2,000,000,000/- (Rupees Two Hundred Crore Only) divided into 200,000,000 (Twenty Crores Only) equity shares of Rs 10 (Rupees Ten Only) each.

The Company has not yet filed the SH 7 (Notice to Registrar for alteration of Share Capital), pursuant to section 64 (1) of the Companies Act, 2013 and pursuant to Rule 63 of the Companies Rules, 2014
Management's Reply:

The Company took note of the matter and considers same as priority. Management informed that due to the financial constraint faced by the Company, the matter is being delayed. Management further assured that the pending fee will be paid on immediate basis.

Observation No. 3
During the Year Company had also received Fine letters from BSE in respect of Non Compliance of Reg. 33 and Reg. 6(1) of SEBI (LODR) Provisions which includes delay in filing of Financial Results and for non-appointment of Company Secretary cum Compliance Officer.

Management's Reply:

There was delay of few days in filing the Financial Results of the Company to BSE Ltd. Company had filed the Financial Results for the respective quarter. Further Company has also paid the fine to BSE Ltd.

Due to resignation of Mr. Pawan Kumar Thakur, Company Secretary cum Compliance Officer of the company, Company received fine letter from BSE for non-compliance of Reg. 6(1) of SEBI (LODR) Regulations, 2015. It is to be worth mentioning here that in the Board Meeting held on 29.11.2019, Company had appointed Mr. Sandeep Kumar Agarwal as Company Secretary cum Compliance Officer of the Company.

d. Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of The Companies (Accounts) Rules 2014 and based on the Audit Committee recommendations, the Board of Directors of the Company has appointed Mr. Ranjit Kumar Barik, as the Internal Auditor of the Company for the financial year 2020-21.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Details of Loans, Guarantees and Investments covered under the provision of the Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

19. SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, the Company has only 1 (one) material unlisted subsidiary i.e. Maithan Ispat Limited. Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiary. Consolidated Financial Statements form part of this Annual Report. Statement containing the salient features of the financial statement of the Company's subsidiary in **Form AOC-1 is enclosed as Annexure-B.**

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiary Company on its website at www.mescosteel.com.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company entered into contracts or arrangements with related parties which were in the ordinary course of business and on arm's length basis. All related party transactions were placed before the Audit Committee for review on quarterly basis. The details of the related party transactions as required under Accounting Standard are set out in Notes to the standalone financial statements forming part of this Annual Report.

There are no material transactions with the related parties except transactions which were approved by Shareholders at 26th Annual General Meeting held on September 30, 2019, in accordance with Company's Related Party Transaction Policy and Regulation 23 of LODR Regulations. As required under Regulation 46 (2) (g) of LODR, the Related Party Transaction Policy and Company's Material Subsidiary Policy is disclosed in the Company's website i.e. www.mescosteel.com

The details of the related party transactions as required under Section 134(3)(h) r/w Rule 8 (2) of the Companies (Accounts) Rules, 2014 and under Regulation 34(3),Para A of Schedule V of SEBI(LODR) Regulations, 2015 is as per **Form AOC 2 and is enclosed as Annexure – C.**

21. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report and the date of this Report except to the extent disclosed below:

- In pursuance to the Judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 (Common Cause v/s Union of India & Others), an amount of ₹ 924.75 crores has been imposed on the Company towards 'Compensation' as determined in the said Judgement which was to be paid by 31st December 2017, eventhough the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018. The Company has however filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement and which is still pending. Hence provision has not been made for the same in the books of accounts. Further in the said case Company managed to get an Order dated 15th January, 2020 from Hon'ble Supreme Court, according to which Company get permission to sell 23,51,027.83 MT of iron ore of different grade and sizes and which has been extracted. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 55.67 crores including GST till October 2020 under protest towards compensation amount.

- Maithan Ispat Limited is hundred percent subsidiary of Mideast Integrated Steels Limited. The Company holds 99.6% of Maithan's share capital amounting to Rs. 1,798.85 million. There is purchase transactions with Maithan amounting to Rs. 4.35 Million during the year 2019-2020. Maithan plant is not in operation since February 2019. The Company has given advances to Maithan keeping in view the prospective revival of the Company in near future. For the same purchase, advances have been given during the year by the Company. The same is duly approved by the Board and Audit Committee. Maithan Ispat Limited has got hold on operations letter from its lead Bank, State Bank of India to start operations and is planning to resume operations in the next few months by March 2021.

- There was arbitration award received in June 2019 for Rs. 718 crores. The Company has already appealed to this Award. The appeal has been admitted in Mumbai High Court. The Company is confident to win the award and hence not making any provision in the books.

- Moorgate Industries India Pvt. Limited had filed a complaint against the Company for issuance of duplicate share certificates in their favor with the Office of Registrar of Companies, Delhi and Haryana which was duly heard. ROC, Delhi and Haryana had passed an order rejecting their claim against the Company. In the said case Company had received a request letter from the Transferor Company that as per the shareholder Agreement between the Transferor Company and the Moorgate Industries India Pvt. Ltd, the Transferor company had not received the agreed consideration further it was also requested that to nullify such transfer in favor of Moorgate Ind. India Pvt. Ltd., as the matter is disputed between the parties.

In the above matter, Moorgate Industries India Pvt. Limited had again filed a case against the ROC with High Court of Mumbai in which Company is also a party. That case is still pending and no order has been passed in favor of Moorgate Industries India Pvt. Ltd.

- Mauritian Regulator has taken over Banyan Tree Bank Limited in March 2020. Due to this, the Company could not provide the loan confirmation as on 31 March 2020.

- The Management has reviewed all the assets and liabilities of the Company. The assets and liabilities of the Company has been valued at receivable and payable value respectively.

- COVID 19 and its global impact has put limitations on the physical movement and functioning of the people in the Company. The Company has tried to collate confirmations and provided the same to the extent possible but due to COVID, some information and certain actions could not be taken and provided to auditor as on 31.03.2020 as many information that was needed to be provided about the Company was inaccessible. Company had now placed the systems and we expect normalization of all processes soon.

- Mideast Integrated Steels Limited is in conversation with serious investors to resume operations as well as to induct capital in the company so as to resolve the various financial problems being faced and we expect to start production in the next few months.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is **annexed herewith as Annexure-D.**

23. RISK MANAGEMENT POLICY

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various strategic, operational and financial risks that the Organization faces, along with the adequacy of mitigation plans to address such risks. There is an overarching Risk Management Policy in place that was reviewed and approved by the Board.

24. CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee consists of three directors including two Independent Directors. The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII of the Companies Act, 2013. The said policy has been approved and adopted by the Board of Directors of the Company, the contents of which have been displayed on the Company's website. (Weblink : www.mescosteel.com). The Annual Report on CSR activities initiated and undertaken by the Company during the year under review is annexed herewith as **Annexure-E.**

25. PERFORMANCE EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

26. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Natasha Sinha, Joint Managing director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. Further she has also resigned from the post of CFO w.e.f. 11.09.2020.

During the year under review Mr. Hawa Singh Chahar was appointed as an Additional Director of the Company w.e.f 21.06.2019 which was duly regularized in the last Annual General Meeting held in previous financial year 2019.

Further Mr. Dipak Chatterjee has resigned from the office of Director w.e.f 25.06.2019 pursuant to the amendments in SEBI (LODR) Regulations, according to which any director who attains the age of 75 years will not be able to continue as Director of the Company.

Mr. Pawan Kumar Thakur, Company Secretary of the Company tendered his resignation from the post of Company Secretary cum Compliance Officer w.e.f 27.07.2019.

In the Board Meeting held on 29.11.2019, Mr. Sandeep Kumar Agarwal was appointed on the post of Company Secretary cum Compliance Officer of the Company. Further on 11.05.2020 he also tendered his resignation from the post of Company Secretary cum Compliance Officer of the Company.

In the Board Meeting held on 13.08.2019 Mr. Sisir Kanta Panigrahi was appointed as an Additional Director of the Company, which was duly regularized in the previous Annual General Meeting held on 30.09.2019. He had tendered his resignation from the post of Executive Director w.e.f 30.12.2019.

Mr. Vishwambhar Nath Tiwari is appointed as an Additional Director of the Company w.e.f 06.03.2020. He is also appointed as CEO of the Company w.e.f 11.09.2020.

Mr. Manas Ranjan Pahi is appointed as CFO of the Company w.e.f. 11.09.2020.

Mrs. Priyanka Chugh is appointed on the post of Company Secretary cum Compliance Officer of the Company in the meeting held on 11.09.2020.

In the Board Meeting held on 11th September, 2020, the Board of Directors have approved the reappointment of Mr. Gurjeet Singh Jawandha as an Independent Director for a next term of five years subject to the approval of shareholders in the next Annual General Meeting.

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future except to the extent disclosed at point No. 22 of the Director's Report.

28. INTERNAL FINANCIAL CONTROLS

Details of internal financial control and its adequacy in compliance with the provisions of Rule 8 (5)(viii) of Companies (Accounts) Rules, 2014 are included in the Management Discussion and Analysis Report, which forms part of this Report.

29. DISCLOSURE AS PER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year ended March 31, 2020, no complaint pertaining to sexual harassment was received by the Company. Further company confirms that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. AUDIT COMMITTEE

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is part of this report.

31. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 **are provided as Annexure F to this report**.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits setout in the said rules forms part of this Annual Report and is attached as **Annexure-G.**

32. STAKEHOLDERS RELATIONSHIP COMMITTEE

The details pertaining to the composition of the Stakeholder Relationship committee are included in the Corporate Governance Report, which is a part of this report.

33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach Audit Committee of the Company to report existing/ probable violations of laws, rules, regulations or unethical conduct.The Whistle Blower Policy has been posted on the website of the Company (www.mescosteel.com)

34. CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate of Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (LODR) Regulations, 2015 are enclosed as part of this report.

35. COMPLIANCES WITH SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

36. FRAUD REPORTING

There have been no frauds reported by the Auditors of the Company to the Audit Committee or the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.

37. ACKNOWLEDGEMENTS

The Board expresses its sincere gratitude to the shareholders, bankers/lenders, Investors, vendors, State and Central Government authorities and the valued customers for their continued support. The Board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitment of all employees of the Company.

By order of the Board
For and on behalf of
Mideast Integrated Steels Limited

Rita Singh
Chairperson cum Managing Director
DIN: 00082263

Place: New Delhi
Date: 05.12.2020

Annexure A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON March 31, 2020
Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,
The Members,
Mideast Integrated Steels Limited
H-1, Zamrudpur, Kailash Colony,
New Delhi-110048

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mideast Integrated Steels Limited (hereinafter called the Company or MISL). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder except pending filing of following forms with ROC;
   a) *MSME-1_30.09.2019 and 31.03.2020*
   b) *Form SH-7 is pending to be filed with ROC for increase in Authorised Capital in the year 2018-19*
   c) *IEPF-4 in the matter of Dividend declared in the year 2011-12*
   d) *DPT-3 for the year 31.03.2020*

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

7.Other Laws specifically applicable to the Company as per the representation made by the Company.

I have also examined Compliance with the following:

i. The Listing Agreements entered into by the Company with Stock Exchanges along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

ii. Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

I further report that during the year under review there are no actions or events in pursuance of the following:

i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

On the basis information provided by the Company and on the basis of representation and explanation made by the management I report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned subject to following observations:

1. *In terms of Securities and Exchange Board of India Circular No. Cir/ISD/3/2011, the 100 percent Promoter's holding is to be in dematerialized form. Promoter holding is not in 100% Demat form.*
2. *The Company has not yet filed the SH 7(Notice to Registrar for alteration of Share Capital), pursuant to section 64 (1) of the Companies Act, 2013 and pursuant to Rule 63 of the Companies Rules, 2014*
3. *During the Year Company had also received Fine letter from BSE in respect of Non Compliance of Reg. 33 and Reg. 6(1) of SEBI (LODR) Provisions which includes delay in filing of Financial Results and for non-appointment of Company Secretary cum Compliance Officer.*

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Board/Ministry of Corporate Affairs or any such authority as per the declaration provided by respective directors.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals

I further report that during the audit period, there might be major bearing on the company's affairs regarding following events:

- *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down w.e.f 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending.*

M/s Tripti Shakya & Company
(Practicing Company Secretaries)

Tripti Shakya
M. NO.: 50667
CP. No. 23251
UDIN: A050667B001443223

Place: New Delhi
Date: 05.12.2020

The report is to be read with our letter of even date which is annexed as Annexure-A and forms integral part of this report

Annexure-A

To,
The Members,
Mideast Integrated Steels Limited
H-1, Zamrudpur, Kailash Colony,
New Delhi-110048

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

M/s Tripti Shakya& Company
(Practicing Company Secretaries)

Tripti Shakya
M. NO.: 50667
CP. No. 23251
UDIN: A050667B001443223
Place: New Delhi
Date: 05.12.2020

Annexure B

AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures (Pursuant to first proviso to sub section (3) of section 129 read with Rules 5 of Companies (Accounts) Rules, 2014.

Part A Subsidiary : Maithan Ispat Limited

Particulars	2019-2020	2018-19
Reporting currency	**In Mn**	**In Mn**
Reporting Period	**March 31, 2020**	**March 31, 2019**
Share capital	3,251.38	3251.38
Reserves & surplus	(4,314.48)	(3,914.66)
Total assets	7,002.95	7382.48
Total Liabilities	7,002.95	7382.48
Investments	0.03	0.03
Gross Turnover	17.49	4318.91
Profit/ (Loss) Before Tax	(399.00)	(1,214.51)
Tax Provision	-	-
Profit/(Loss) After Tax	(399.00)	(1,214.51)
Dividend for the year	-	-
% of shareholding	99.60	99.60

For and on behalf of Board of Directors

Rita Singh
Chairman Cum Managing Director

Natasha Sinha
Jt. Managing Director

Manas Pahi
Chief Financial Officer

Priyanka Chugh
Company Secretary

Annexure C

FORM AOC-2

Particulars of Contracts/arrangements made with Related Parties pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. **Details of contracts/arrangements or transactions not at arm's length basis:**
   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which were not at arm's length basis.

2. **Details of material contracts/arrangements or transactions at arm's length basis**

   A. Related Party Transactions with Maithan Ispat Limited
   a. Name(s) of the related party and nature of relationship: Maithan Ispat Limited is subsidiary of the Company.
   b. Nature of contracts / arrangements / transactions: Purchase and sale of blooms, billets, sponge iron, pig iron, scarp, coal or any other goods and all other type of services.
   c. Duration of the contracts / arrangements / transactions: September 30, 2019 till September 30, 2020.
   d. Salient terms of the contracts or arrangements or transactions including the value, if any: In tune with best negotiated terms/market price upto an amount not exceeding ` 500 Crores.
   e. Date(s) of approval by the Board and shareholders, if any: Shareholders Approval- September 30, 2019
   f. Amount Paid as advance as outstanding as on 31.03.2020, if any: Rs. 161.00 million

   B. Related Party Transactions with Mesco Steels Limited
   a. Name(s) of the related party and nature of relationship:
   Mesco Steels Limited, Mrs. Rita Singh and Mrs. Natasha Sinha are common directors holding more than 2% of paid up capital of Mesco Steels Limited.
   b. Nature of contracts / arrangements / transactions: Purchase and sale of goods and all other type of services
   c. Duration of the contracts / arrangements / transactions: September 30, 2019 till September 30, 2020.
   d. Salient terms of the contracts or arrangements or transactions including the value, if any: In tune with best negotiated terms/market price upto an amount not exceeding Rs. 250 Crores.
   e. Date(s) of approval by the Board and shareholders, if any: Shareholders Approval- September 30, 2019
   f. Amount Paid as advance as outstanding as on 31.03.2020, if any: Rs. 2126.78 Million

Annexure D

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO

A) Conservation of Energy:

- Electrical: Replacement of 10 Nos. 250 Watt Conventional Sodium Vapour Lights by 50Watt LED lights, savings annually Rs 60,000.00.
- Upgradation of relay coordination & communication between CPP Power Generation & MSDS GRID import power, No Power Black-out occurred, saving in BF production down time of 16 hrs. and saving of 5KL FO at CPP, saving cost Rs 2.0 Lakhs.
- Recirculation / conservation of plant waste water/rain water net recovering of water 220cum / day.
- Primary screening of mixed materials at RMHS coke recovery of 20MT, saving cost Rs 5.0 Lakhs.
- Iron ore recovery from over size Iron lump boulders by manual breaking & screening at RMHS, recovery of BF use Iron ore 100MT, cost saving Rs 4.0 Lakhs.

B) Technology Absorption:

- Nil.

B) Foreign Exchange Earnings and Outgo

		Rs. in Mn
Particulars	**2019-20**	**2018-19**
Foreign Exchange Earned	6.70	5.73
Foreign Exchange Used	13.17	39.90

Annexure E

Annual Report on Corporate Social Responsibility (CSR)

Pursuant to Rules 8 & 9 of (Companies Corporate Social Responsibility Policy) Rules, 2014 for the Financial Year 2019-20

1. A brief outline of the Company's CSR policy

Your Company has been actively involved in activities for the betterment of the community. The Company has identified health, education & livelihood, animal welfare, rural development projects and social causes as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass root level during the year. Company's CSR Policy is available on the weblink: http:// mescosteel. in/csr.php?page=initiative.

2. Composition of the CSR Committee:

Name of Director	Category	Nature of Directorship
Mr. Hawa Singh Chahar	Chairman	Independent Director
Mrs. Rita Singh	Member	Chairperson cum Managing Director
Mrs. Natasha Sinha	Member	Jt. Managing Director

3. Average net profit of the Company for the last 3 Financial Years: Rs. 134.64 Mn

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): Rs. 2.69 Mn

5. Details of CSR spent for the financial year:

a) Total amount to be spent for the Financial Year: Rs. 2.69 Mn

b) Total amount spent for the Financial Year: Rs. 17.66 Mn

c) Amount unspent, if any : Rs. (14.97) Mn

6. Manner in which the amount spent during the financial year is detailed below:

(Rs. in Mn)

CSR projects / Activities	Sector in which the Project is Covered	Location where project is undertaken	Amount outlay(budget) Project / Programs Wise	Amount Spent Project/ Programs Wise (mn)	Amount Spent Directly or through agency
Contribution to Odisha Chief Minister's Relief Fund For providing treatment and support to the distressed people affected by Amphan cyclone				**7.5**	
Carrying on Animal Welfare activities as per the details given below:- • Full time OPD with ambulance services. • Providing shelter to more than 850 animals primarily dogs and cows, monkeys, etc. and daily feeding of 250 dogs in the vicinity of the shelter. • Rescue small and large stray/abandoned animals and provide medical treatment and quality care. • Providing quality care, good food and timely medical care to the resident dogs. • Big or small, all kind of surgery for stray dogs and other animals. • Laboratory for blood testing and X ray facility. • Sterilization programme with South Municipal Corporation of Stray dogs and Anti rabies vaccine programme for stray dogs. • Dedicated team including 2 full time doctors, 1 visiting surgeon, 3 paravets, lab technician and care takers to look after the dogs.	**Animal Welfare**	**New Delhi**		**9.61**	**Through Krishna Ashram**

Supporting Education Services by providing the following services:- Financial assistance to college for educational activities.	Education	Keonjhar		**0.55**	**Direct**
TOTAL				**17.66**	

7. In case the Company has failed to spend the 2% percent of the average net profit of the last 3 Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in the Directors' Report.

Not applicable

8. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

Annexure F

Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the each remuneration of director to the median remuneration of the employees of the company for the financial year

Name of Director	Ratio of the remuneration of Whole-time Director to the median remuneration of the employees
Mrs Rita Singh	-
Mrs. Natasha Sinha	32.79:1
Mr. S N Kambalii Resigned w.e.f 21.06.2019	3.19:1
Mr. SisirKanta Panigrahi Resigned w.e.f. 30.12.2019	3.40:1
Mr. V.N. Tiwari Appointed w.e.f 06.03.2020	-

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Directors/KMP	% Increase
Directors	-
KMP	
Mr. Pawan Kumar Thakur - Company Secretary Resigned on 29.07.2019	-
Ms. Natasha Sinha-CFO Resigned 11.09.2020	-
Mr. SisirKanta Panigrahi- Chief Executive Officer appointed on 13.08.2019 and resigned on 30.12.2019	-
Mr. Sandeep Kumar Agarwal - Company Secretary Appointed on 29.11.2019 resigned 11.05.2020	-
Mr. V N Tiwari Chief Executive Officer Appointed on 06.03.2020	-

3. Percentage increase in median remuneration of employees, if any,in the financial year: Nil

4. Number of permanent employees on the rolls of Company: 584

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage : Non-Managerial – Nil

Average percentage : Managerial - Nil

6. Key parameters for any variable component of remuneration availed by the directors: There is no variable component in the remuneration

7. This is to affirm that remuneration is as per the remuneration policy of the Company.

Annexure G

Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl No	Name of Employee	Designation	Remuneration Received/ per month	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	DOB	Age	Last Employment held by such employee
1	Raj Kedia	President-Sales& Marketing (MESCO I)	281289	Managerial	B COM, Diploma (Management)	10.05.2005	01.12.1962	58	AGM, KIC Metalliks LTD.
2	Aarati Karandikar	AGM - F&A	150550	Managerial	CA-Inter	10.07.2013	08.10.1978	42	Accounts Manager, Ushdev International Limited
3	Aditya Nath Mishra	AGM - Blast Furnace	145440	Managerial	B.Sc (Engineering)	30.01.2019	17.11.1965	55	AGM - Blast Furnace, JSW Steels Limited
4	Bharat Kumar Bharadwaj	Sr. DGM (BF)	143544	Managerial	B.Sc.	09.01.2005	01.02.1963	57	Dy. Manager - Blast Furnace, Usha Ispat Limited
5	Ranjit Kumar Barik	DGM- Finance & Audit	111991	Managerial	M.Com, ICWA, MBA(Finance)	22.03.2008	07.11.1969	51	Dy. Manager - F&A, Goa Carbon Limited
6	Ganesh Chandra Patra	Sr. Manager - CPP	109459	Managerial	BE (Mech)	03.10.2013	09.03.1976	44	Manager (CPP), Birla Tyres Ltd.
7	Sambed Rout	DGM - P&A	105832	Managerial	Master in PM & IR with LLb	13.12.2013	15.02.1967	53	Sr. Mgr(IR), Usha Martin ltd.
8	Pramod Kumar Mohanty	Sr. Manager (F&S)	105494	Managerial	B.Sc., Diploma in Industrial Safety, BE(Mech) distance, PG Diploma in Environment Management	02.05.2013	16.06.1971	49	Manager (Safety), Bhushan Power & Steel Ltd.

9	Asit Kumar Ray	DGM -Corporate Affairs	90830	Managerial	B.E. (EL & TC), Correspondence MBA	03.08.2006	23.06.1971	49	Manager - PR & Admin, Airsonic Charters pvt. Ltd (Srb Group)
10	Goutam Das	Sr. Manager (Sinter)	89830	Managerial	Diploma in Chemical Engg.	25.11.2011	14.01.1981	39	HOD, Asst. Manager(Sinter), SBQ Pvt. Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

India was the world's second largest steel producer in 2019. India surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2 million tonnes (MT). In India, as per Indian Steel Association (ISA), steel demand is estimated to grow 7 per cent in FY20 and FY21.

In FY20, crude steel production and finished steel production in India was 108.5 MT and 101.03 MT, respectively. Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively, in FY20.

India's per capita consumption of steel grew at a CAGR of 4.43 per cent from 46 kgs in FY08 to 74.10 kgs in FY19.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US$ 13.40 billion between April 2000–March 2020.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15 per cent in notified steel products covered under preferential procurement.

During FY20, the Indian economy witnessed series of challenges given the decline in overall investments, private consumption and regulatory uncertainty. Q4 FY20 witnessed lower economic activity due to the restrictions and lockdowns in the month of March, owing to Covid-19 pandemic, which typically tends to be a month which sees increased output with businesses trying to meet targets before the end of the financial year.

PERFORMANCE HIGHLIGHTS - INDIAN STEEL INDUSTRY

According to the Joint Plant Committee, crude steel production declined by 1.5% y-o-y to 109.22 MnT in FY 2019-20, with a sharp contraction of 20% in March 2020 due to COVID-19 containment measures.

Finished steel production grew 0.8% y-o-y to 102.06 MnT; non-alloy steel accounted for 96% (up from 93%), or 97.66 MnT, while alloy steel contributed the balance 4.4 MnT. In the non-alloy, non-flat finished steel segment, bars and rods grew by 3.6% y-o-y to 40.48 MnT, whereas in non-alloy flats, HRC grew by 2.6% y-o-y to 43.29 MnT.

India remained a net exporter of finished steel during FY 2019-20, with exports of 8.36 MnT, up 31.4% y-o-y. Non-alloy HRC was the most exported product at 4.82 MnT, while bars and rods led the non-alloy, non-flat segment exports with 0.51 MnT. Meanwhile, India imported 6.77 MnT of finished steel, down 13.6% y-o-y, with non-alloy HRC accounting for 34% of the total imports. Imports from Korea accounted for 40% of the total imports.

OPPORTUNITY AND THREATS

With several backward and forward linkages in place, several factors catalyse the demand in the steel industry. Traditionally, construction, infrastructure, automobiles and consumer durable sectors generate steel demand, while the availability of raw materials and workforce has an impact on the production.

During FY 2020, Indian steel manufacturers continued to face the challenges of imported steel due to elevated level of imports from Japan and South Korea, besides reduced demand from the automobile and its ancillary sectors. However, the government is working towards bolstering India's steel industry by direct and indirect policy stimuli that are expected to increase demand (multimillion-dollar NIP and fresh investment in power, railways, and water, coupled with renewed interest in the automobile sector) and reduced imports.

OUTLOOK

The IMF estimates Indian GDP to contract by 4.5% in FY 2020-21. However, the economy is likely to rebound by 6.0% in FY 2021-22, supported by the synchronised fiscal and monetary policy stimulus.

The World Steel Association (world steel) forecasts steel demand to decline by 6.4% y-o-y to 1,654 MnT in CY 2020, due to the COVID-19 impact. However, it has asserted that the global steel demand could rebound to 1,717 MnT in CY 2021 and witness a 3.8% rise on a y-o-y basis. Chinese demand is likely to recover faster than in the rest of the world. The forecast assumed that lockdown measures will be eased by June and July, with social distancing continuing and major steel making countries not witnessing a second wave of the pandemic. Steel demand is expected to decline sharply across most countries, especially in the second quarter of CY 2020, with a likely gradual recovery from the third quarter. However, risks to the forecast remain on the downside as economies make a graded exit from the lockdowns. Now there are proven vaccines allowed by several countries so it is expected that the impact and fear of COVID 19 will reduce substantially in 2020-21. Surprisingly the steel sector has already started showing a good revival in India as well as globally. The plants with larger steelmaking capacity have rebounded to 100% production capacity. In line with this, we expect that MISL shall also be able to attract capital for production to resume and enhancement of the same. There is however a great raw material mismatch especially for iron ore and we are strongly taking it up with the government to allow us resumption of iron ore mining for MISL as well as others so as to enable continued supply and stabilization of prices.

RISK AND CONCERNS

Risk is integral part of any Industry and Iron Industry is no exception. The steel industry displays strong commodity characteristics and is subject to cyclical price movements in business cycles. The Company is exposed to risks from overall market fluctuations, cheaper import of steel, changes in government policy, laws of the land, taxation, man-made disaster, political risks and increase in cost of inputs like Iron ore, coal, power, diesel, freight, etc. which affect the financial performance of the Company.
The Company takes steps to address the business risks which can be controlled and mitigated. With synergies and support from the Company, the management expects to further improve the processes, quality of products and market reach.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems include documented policies, checks and balances, guidelines and procedures that are supplemented by robust internal audit processes and monitored continuously by periodical reviews by management to provide reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported properly. Post-acquisition, the reconstituted Board/ Management is in the process of further strengthening the internal controls framework with an objective to have a best-in-class internal control framework commensurate with the size, scale and nature of business.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the year under review, the Company's net revenue from operations was Rs. 4017.44 Million as against Rs. 7383.45 Million in the previous financial year. The Company's Profit before Depreciation Interest and Tax ("PBDIT") was Rs. (414.19) Million in the financial year ended 31st March, 2020 as opposed to PBDIT of Rs. 212.06 Million in the immediate previous financial year.

Taking into account depreciation and interest cost, profit before tax (PBT) stood at Rs. (537.69) Million as against Rs. 13.38 Million in the previous financial year and total comprehensive income for the year was Rs. (596.37) Million against Rs. (37.82) Million in the previous financial year.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS FRONT

The Human Resources department is committed to recruiting strong candidates and this commitment involves discussing the needs of a department, advising on recruitment strategies, participating in the selection of the right candidate, checking references and making job offers. As part of this process, Human Resources analyzes data such as the number of vacant positions, the number of positions filled and the time it took to fill positions. Tracking this information helps to ensure quality of service and leads to a better understanding of the time required to fill a position.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS: The details of significant changes in the key financial ratios during financial year 2019-20 as compared to the immediately previous financial year 2018-19 are given below:

Particulars	2019-2020	2018-19	Change in %
Debtor Turnover	**Not calculated as no credit sale made**		**-**
Inventory Turnover	3.86	5.63	(1.77)
Interest Coverage Ratio	(23.77)	4.63	(28.40)
Current Ratio	0.74	0.84	(0.10)
Debt Equity Ratio	0.08	0.12	(0.04)
Operating profit margin(%)	(10.31)	2.87	(13.18)
Net Profit Margin (%)	(13.38)	0.18	(13.56)
Return on Net Worth (%)	(43.35)	5.63	(48.98)

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 (3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.
The Company has a strong legacy of fair, transparent and ethical governance practices. The Company is trying its best to follow the Code of Corporate Governance in letter and spirit. The Company believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Board of Directors of the company pays highest importance on the philosophies of Corporate Governance. The company is complying with the disclosure norms pursuant to relevant regulations 34 (3) read with Schedule V and other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

2. BOARD OF DIRECTORS

a) **Composition and Category of Directors:** The Board consists of eminent persons with considerable professional expertise in various fields of finance, banking, taxation, law etc. and has a balanced mix of Executive and Non-Executive Independent Directors. As on 31st March, 2020 the Board comprises of three (3) Executive Directors including One Managing Director, Three (3) Non-Executive Independent Directors. Mrs. Rita Singh, Managing Director is the chairperson of the Company and half of Directors are Independent Directors. All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year gave a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Regulations 16 of SEBI (LODR) Regulations, 2015. During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Except the Independent Directors and Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

b) Directors' Attendance Record and Directorships: Structure of Board of Directors during the financial year 2019-20, their attendance at Board meetings, the number of Directorship and chairmanships/memberships of committee of each Director held in other public companies, relationship inter-se and attendance at Annual General Meeting (AGM) held during the said year along with requisite information in respect of Directors as per Regulation 34 of SEBI (LODR) Regulations, 2015 is provided below:

Name of the Director	Category	Number of Board Meetings attended during the FY 2019-20	Whether attended last AGM	Number of Directorships in other Public Companies#1	Number of Committee positions held in other Public Companies#2		Directorship in other listed entity (Category of Directorship)
					Chairman	Member	
Rita Singh (DIN:00082263)	Chairperson cum Managing Director	6	Yes	5	-	2	Mideast India Limited
Natasha Sinha (DIN: 00812380)	Joint Managing Director	4	Yes	6	1	1	-
Sanjiv Batra (DIN:00602669)	Independent Non-Executive Director	5	No	-	-	-	-
Dipak Chatterjee*1 (DIN:03048625)	Independent Non-Executive Director	1	NA	-	-	-	-
G S Jawandha (DIN:00213573)	Independent Non-Executive Director	5	Yes	-	-	-	-
Hawa Singh Chahar (DIN 01691383)	Independent Non-Executive Director	5	Yes	3	3	5	Mideast India Limited Mesco Pharmaceuticals Limited
Sharanappa Neelappa Kambali*2(DIN 08182398)	Executive Director	-	NA	-	-	-	
Sisir Kanta Panigrahi *3 (DIN 08542641)	Executive Director	-	Yes	-	-	-	
Mr. Vishwambhar Nath Tiwari *4 (DIN: 08719133)	Executive Director	-	NA	-	-	-	-

*1: Ceased to act as a Director w.e.f 25.06.2019
*2: Ceased to act as a Director w.e.f 21.06.2019
*3: Ceased to act as a Director w.e.f 30.12.2019
*4: Appointed w.e.f 06.03.2020

#1 Public Limited Companies excluding Mideast Integrated Steels Limited and excluding Section 8 Company

#2 Board Committee includes Audit committee and Stakeholders' Relationship Committee as per Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he/she is a director.

c) **Details of Board Meetings held during the year:** During the financial year ended on March 31, 2020, Six meetings were held on 21st June, 2019, 13th August, 2019, 13th November, 2019, 29th November, 2019, 25th February, 2020 and on 23rd March, 2020. The maximum gap between any two meetings had not exceeded 120 days.

d) Disclosure of relationship between director inter-se: Mrs. Rita Singh, Chairperson and Managing Director of the Company is related to Mrs. Natasha Sinha, Joint Managing Director of the company as her mother. Apart from that, there are no relationships existing among other Directors of the Company.

e) **Details of shareholding of non-executive Directors in the Company as on March 31, 2020:** Except Mrs. Rita Singh holds 1,07,910 shares and Mrs. Natasha Sinha holds 2,300 shares, no other director holds any shares/ convertible instruments in the Company.

f) Meeting of Independent Directors:

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on February 25, 2020 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

g) Familiarisation Programme For Directors

Pursuant to the provisions of the Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the web link of the details of Familiarization Programme for Independent Directors is disclosed at Company Website i.e. www.mescosteel.com.

All new Directors inducted on the Board are given a formal orientation. The Directors are encouraged to visit the plant locations of the Company and interact with the members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiary, Board constitution and guidelines, matters reserved for the Board so as to enable them with an opportunity to familiarize themselves with the Company, its management, its operations and the industry in which the Company operates.

h) Code of Conduct

The Board of Directors has adopted a Code of Conduct for Board Members and Senior Management Personnel of the Company. The said Code has been communicated to all the Directors and members of the Senior Management, who have affirmed their compliance with it, as approved and adopted by the Board. Declaration by the Managing Director to this effect is given to the Board and the Board has taken the same on its record and annual certificate in compliance to the same is annexed. The Code is placed on the website of the Company, www.mescosteel.com .

i) The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

A chart or matrix setting out the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively are as under :-

1.	Industry	(a) Experience in and knowledge of the industry in which the Company operates (b) Experience and knowledge of broader industry environment and business planning
2.	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.
3.	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance.
4.	Behavioral	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.

The aforesaid core skills/ expertise / competencies are available with the Board of the Company.

3. COMMITTEES OF THE BOARD

I. Audit Committee

The constitution of the Audit committee is in accordance with the requirements of the Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. As on March 31, 2020 the committee comprises of 3 directors out of which 2 are independent and 1 is executive director. Mr. Hawa Singh Chahar, Independent Director, acts as the Chairman of the Committee. The Audit Committee met four times during the year ended March 31, 2020 i.e. on June 21 2019, August 13, 2019, November 13, 2019 and on February 25, 2020. The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name of the Member	Status	No of Meetings Held	No of Meetings Attended
Mr. Hawa Singh Chahar*1	Chairman	4	3
Mr. Sanjiv Batra	Member	4	4
Mrs. Natasha Sinha	Member	4	3
Mr. Dipak Chatterjee*2	Member	4	1

*1: Appointed w.e.f 21.06.2019

*2 ceased w.e.f 25.06.2019

In addition to the above, the committee meetings were also attended and supported by Mr. Arun Todarwal & Ms. Mala Todarwal (Statutory Auditors), Mr. Vijay Gupta (AVP-Finance) and Ms. Aarati Karandikar as special invitees. The Company Secretary of the Company acts as the Secretary to the Committee.

The functioning and terms of reference of the Audit Committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as are in force/ applicable from time to time. All the members of the Audit Committee are financially literate as required by Regulation 18 of SEBI (LODR) Regulations, 2015. The brief description of terms of reference of Audit Committee is as follows:

- Oversight of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

4. Nomination and Remuneration Committee

The constitution of Nomination and Remuneration Committee is in compliance of Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act 2013. As on March 31, 2020 the Nomination and Remuneration Committee comprises of three Independent Directors. Mr. Hawa Singh Chahar, the Independent Director of the Company, acts as the Chairman of the Committee. The Committee met three times during the year ended March 31, 2020 i.e. on 13th August, 2019, 29th November, 2019 and on 25th February, 2020. The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name of the Member	Designation	No. of Meeting Held	No. of Meeting attended
Mr. Hawa Singh Chahar*1	Chairman	3	3
Mr. Sanjiv Batra	Member	3	3
Mr. G S Jawandha	Member	3	3

*1appointed w.e.f 21.06.2019

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013. Brief description of terms of reference of the committee is as under:

- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
- Oversee familiarization programs for Directors.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board.

The Company has formulated a Nomination and Remuneration Policy which has been uploaded on the website of the Company. Your Company has not granted any stock options to any of its Directors.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

5. Remuneration of Directors

a) Non-executive Directors: The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings.

b) Executive Directors: The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives.

c) Details of remuneration paid to the Directors of the Company during the year ended March 31, 2020 is as under:

`InMn

Name of Director	Sitting Fees	Salaries & Perquisites	Commission	Total
Mrs. Rita Singh	-	-	-	-
Mrs. Natasha Sinha	-	8.20	-	8.20
Mr. S N Kambali	-	0.85	-	0.85
Mr. Sanjiv Batra	0.49	-	-	0.49
Mr. Dipak Chatterjee	0.08	-	-	0.08
Mr. G S Jawandha	0.34	-	-	0.34
Mr. H S Chahar	0.49			0.49
Mr. SisirKanta Panigrahi	-	-	-	-
Mr V N Tiwari	-	-	-	-

6. Stakeholders Relationship Committee

The constitution of Stakeholder relationship committee is in compliance of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act 2013. The Committee comprises of three directors out of which two are Independent Director and one is Executive Director. Mr. Hawa Singh Chahar, Independent Director, acts as the Chairman of the Committee. The Committee met two times during the year ended March 31, 2020 i.e. on 13th August, 2019 and on 13th November, 2019. The details of composition and attendance at the committee meetings during the year ended March 31, 2020 are as under:

Name of the Member	Designation	No. of Meetings	Meetings attended
Mr. Hawa Singh Chahar*1	Chairman	2	2
Mr. Sanjiv Batra	Member	2	2
Mrs. Rita Singh	Member	2	2

*1appointed w.e.f 21.06.2019

The brief terms of reference of Stakeholders Relationship Committee are as follows:

- oversees, inter-alia, redressal of shareholder and investor grievances,
- transfer / transmission of shares
- issue of duplicate shares, exchange of new design share certificates,
- recording dematerialization/ rematerialization of shares and
- Investor grievance related matters.

Number of investor complaints for the year ended March 31, 2020 is provided below:

Particulars	Status
Complaints outstanding as on April 1, 2019	0
Complaints received during the year ended March31,2020	9
Complaints resolved during the year ended March 31, 2020	9
Complaints not solved to the satisfaction of Shareholders as on March 31, 2020	0
Complaints Pending as on March 31, 2020	0

Name, designation and address of Compliance Officer:
Ms. Priyanka Chugh
Company Secretary
H-1, Zamrudpur Community Centre, Kailash Colony,
New Delhi- 110048
Tel.: 011-40587085

7. Corporate Social Responsibility

Committee is constituted in line within the provisions of Section 135 of the Act. Mr. Hawa Singh Chahar, Mrs. Natasha Sinha and Mrs. Rita Singh are three members of the Committee. One Non-Executive Independent Directors and Two Executive Director comprises the CSR Committee. During the year 2019-20, the Committee met once on 25th February, 2020. The tabular presentation of the above data is reproduced hereunder:

Name of the Member	Designation	No of Meetings Held	No of Meetings Attended
Mr. Hawa Singh Chahar*1	Chairman	1	1
Mrs. Natasha Sinha	Member	1	1
Mrs. Rita Singh	Member	1	1

*1appointed w.e.f 21.06.2019

The functioning and terms of reference of the CSR Committee the role, powers and duties, have been devised keeping in view the requirements of Section 135 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as are in force/ applicable from time to time. The brief description of terms of reference of Audit Committee is as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy.

8. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Year	Venue	Date	Time	Special Resolution
2018-19	The Executive Club, 439 Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	September 30, 2019	10:30 AM	1. To re-appoint Mr. Sanjiv Batra (DIN: 00602669) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution **2.** To approve related party transactions as Section 188 of the Companies Act, 2013
2017-18	Lakshmipat Singhania Auditorium, 4/2 PHD House, August Kranti Marg, Siri Institutional Area, Block A, Nipccd Campus, Hauz Khas, New Delhi-110016	September 30, 2018	11:00 A M	1) To Approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013 2) To approve limits under section 186 to grant loans , invest or give guarantee or security 3) To approve limits under Section 180(1)(a) to transfer, sell, lease, assign, deliver or otherwise dispose

				off, pledge, hypothecate, mortgage etc. 4) To approve related party transactions as Section 188 of the Companies Act, 2013 5) To alter memorandum and articles of association of the Company 6) To create, issue and allot on preferential basis ("Preferential Issue") to promoters/promoters group
2016-17	The Claremont, Mehrauli Gurgaon Road, AayaNagar, Aya Nagar Phase 2, New Delhi-110047	September 27,2017	11.00 A.M.	1) To re- appoint Mrs. Rita Singh, as Managing Director of the Company for a period of 5 years with effect from August 1, 2018 2) To re-appoint Mrs. Natasha Sinha, as Whole Time Director of the Company for a period of 5 years with effect from April1, 2018 3) To appoint Mr. Priyabrata Patnaik, as Whole Time Director of the Company for a period of 5 years with effect from August1, 2018 4) To re-appoint Mr. Hanumantha Rao Ravipati (DIN-00044028) as Whole-time Director of the Company for a period of 3 years with effect from September 30, 2018 5) To increase the borrowing power of the Board under Section 180(1)(c) of the Companies Act, 2013 6) To approve related party transactions under Section 188 of Companies Act, 2013

II. Postal Ballot

During financial year ended March 31, 2020 no resolution was passed through postal ballot. During previous year ended March 31, 2019. No Special Resolutions were passed through Postal Ballot.

9. MEANS OF COMMUNICATION

a) Quarterly Results:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board through the modes specified by the respective stock exchanges.

b) Newspapers where in results normally published:

Un-audited and Audited Financial Results are normally published in the Financial Express and Jansatta.

c) Website:

The results of the company are also displayed on the Company's Website www.mescosteel.com.

d) Official News Releases: All disclosure/release, if any are uploaded on the website of the Company.

e) Presentations:

Presentation(s) made to Institutional Investors or analysts, if any are also put up on Company's website i.e. www.mescosteel.com. No presentations have been made to institutional investors/ analysts during the financial year.

10. GENERAL SHAREHOLDER INFORMATION

A.	**Annual General Meeting details (Date, Time and Venue)**	30th December, 2020, Wednesday at 11:00AM through Video Conferencing	
B.	**Financial Year**	2020-2021	
C.	**Dividend Payment Date**	Not applicable	
D.	**Book Closure Dates**	24-12-2020 to 30-12-2020	
E.	**Listing Fees**	The Company has paid the listing fees for financial year 2020-2021 to BSE Limited, where the shares of the company are listed.	
F.	**Listing on Stock Exchanges and Stock Code**	BSE Ltd. (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 540744	Calcutta Stock Exchange (CSE) 7, Lyons Range, Kolkata-700001 Scrip Code:23143
G.	**Registrars and Transfer Agents**	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020. Tel.: +91 11 40450193-95, Fax: +91 11 26812682 Email: admin@skylinerta.com Website: www.skylinerta.com	
H.	**Share Transfer System**	As per SEBI notification effective from April 01, 2019 requests for Transfer of Securities held in physical form would be carried out in dematerialized form only except in case of transmission or transposition of securities. Therefore, Registrar and Share Transfer Agent and Company will not accept any request for transfer of shares in physical form. The processes for shares held in dematerialized form are dealt by the depository participants without any involvement of the Company.	
I.	**Dematerialization of Shares and Liquidity**	28.22% of the Paid-up Equity Share Capital is held in Dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2020	
J.	**Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity**	NIL	
K.	**Commodity price risk or Foreign exchange risk and hedging activities**	The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.	
L.	**Plant Location**	a) Factory: Kalinga Nagar Industrial Complex, Khurunti, P. O. Danagadi - 755026 Dist. Jajpur, Odisha	b) Mines: Panchvati, P.O: Barbil Road, Barbil, Keonjhar:758035, Odisha
M.	**Address for correspondence**	Registered Office of Company: Mideast Integrated Steels Limited	Registrar and Transfer Agent: Skyline

		Mesco Tower, H-1, Zamrudpur Community Centre, Kailash Colony, NewDelhi–110048. Ph.No.-011-40587085 Email:priyankachug@mescosteel.com	Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020. Tel.:+911140450193-95, Fax:+911126812682 Email:admin@skylinerta.com Website:www.skylinerta.com
N.	**List of all credit rating**	NIL	NIL

M. MARKET PRICE DATA: The Market price data was as under:

MARKET PRICE DATA (SCRIP CODE:540744)

Month	Open Price	High Price	Low Price	Close Price
Apr-19	14.15	15.85	13.21	13.43
May-19	14.10	14.15	11.20	13.36
June 19	13.36	13.84	8.60	8.66
July 19	8.66	9.54	7.46	7.77
Aug 19	8.10	8.50	6.32	6.62
Sept 19	6.95	7.50	5.13	6.82
Oct 19	6.82	7.93	5.18	6.63
Nov 19	6.63	7.53	5.45	7.53
Dec 19	7.16	7.70	6.14	7.12
Jan 20	7.12	7.37	6.11	6.98
Feb 20	6.98	7.26	5.07	5.52
Mar 20	5.59	5.59	3.83	3.84

N. Performance Comparison to Broad Based Indices such as Sensex

The Company's market price has fallen by approx. 72.86% from being Rs. 14.15 per share as on 31.03.2019 to Rs. 3.84 per share as on 31.03.2020; whereas BSE sensex has fallen by 31.35% (sensex being 38672 on 01.04.2019 and 29468 on 31.03.2020).

O. Distribution of Shareholding as on March 31, 2020

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
(Rs.)			**(Rs.)**	
1	**2**	**3**	**4**	**5**
Up To 5,000	176342	98	224059350	16.25
5001 To 10,000	2111	1.17	16742460	1.21
10001 To 20,000	803	0.45	11982860	0.87
20001 To 30,000	243	0.14	6131410	0.44
30001 To 40,000	113	0.06	4037510	0.29
40001 To 50,000	77	0.04	3605530	0.26
50001 To 1,00,000	130	0.07	9179540	0.67
1,00,000 and Above	121	0.07	1103011340	80
Total	**179940**	**100**	**1378750000**	**100**

Categories wise shareholding as on March 31, 2020

Particulars	No of shares	%
Promoters Shareholding	90361470	65.54
Non promoter Shareholding		
Mutual Funds and UTI	0	0
Banks, Financial Institution, Insurance Companies, Clearing Members	284600	0.21
India Public	28055708	20.35
NBFC	1000	-
Bodies Corporate	16489622	11.96
Non-resident Indians	2436895	1.77
Resident Indian HUF	240444	0.17
Trust	100	-
Clearing Member/House	5161	-
Grand Total	**137875000**	**100**

11. DISCLOSURES

a) During the financial year ended March 31, 2020 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. However there were certain unsecured loans given to related parties on which no interest was charged as well as no schedule of repayment of principal and interest has been stipulated. The details regarding related party transaction been detailed in the Auditor Report as well as in Notes to Accounts of the Company for the financial year ended March 31, 2020.

b) During the year under review SEBI/Stock Exchange have issue penalty letter against the company for non-compliance under Regulation 33 and Regulation 6 of SEBI (LODR) provisions. The company had made payment of the penalty as issued by the Authority.

c) The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

d) The Company has adopted and complied with mandatory requirements as per SEBI (LODR) Regulations, 2015.

e) The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the http://mescosteel.com/admin/investor/Policy%20on%20Material%20Subsidiary.pdf

f) The company has framed Related Party Transaction Policy and is placed on the Company's website and the web link for the http://mescosteel.com/admin/investor/Related%20Party%20Transaction%20Policy.pdf

g) During the financial year ended March 31, 2020 the company did not engage in commodity hedging activities.

h) The company has not raised any amount through preferential allotment or qualified institutions placements as specified under Regulation 32(7A):

i) A certificate has been received from Tripti Shakya, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

j) There was no such instance to be reported where any recommendation made by any committee was not accepted by the Board Members.

k) M/s Arun Todarwal & Associates has been appointed as the Statutory Auditors of the Company. The particulars of Statutory Auditors fees on consolidated basis is given below:

Particulars	As at 31 March, 2020
	Rs. in Mn
Payments to the auditors comprises	
For statutory audit	1.65
For Taxation Matters	0.04
Total	**1.69**

l) There were no complaints received during the year under Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

12. There has been no instance of non-compliance of any requirement of Corporate Governance Report except as mentioned in the Annual Report at different segments.

13. STATUS OF COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

Part E of Schedule II of SEBI (LODR) Regulations, 2015, also requires disclosures of adoption by the Company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements is given below:-

- **The Board:** An office with required facilities for the non-executive Chairperson is not provided and maintained by the Company.
- **Shareholders Rights:** The half-yearly financial results are not sent to the shareholders as the same are posted on the website of the Company.
- **Audit Qualifications:** During the year under review, the Statutory Auditors has issued modified opinion on the Standalone and Consolidated Financial Statements.
- **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

14. The Company has fully complied with the applicable requirement specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

D. The CEO and CFO Certification of the financial statements for the year, is enclosed at the end of the report.

E. The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. The Statutory Auditors' has issued modified opinion on the Standalone Financial Statements and Consolidated Financial Statements during the year under review.

F. Disclosures with respect to demat suspense account/ unclaimed suspense account

a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL

b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL

c) Number of shareholders to whom shares were transferred from suspense account during the year:NIL

d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL

By order of the Board
For and on behalf of
Mideast Integrated Steels Limited

Rita Singh
Chairperson cum Managing Director
DIN: 00082263
Place: New Delhi
Date: 05.12.2020

Declaration on Compliance with the Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

By order of the Board
For and on behalf of
Mideast Integrated Steels Limited

V N Tiwari
CEO
Place: New Delhi
Date: 05.12.2020

CERTIFICATE BY CHIEF EXCEUTIVE OFFICER AND CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We hereby certify that we have reviewed financial statements and the cash flow statements for the financial year ended on March 31, 2020, and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material factor contain statement that might be misleading.
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the Company during the above said period are fraudulent, illegal or violating Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We further certify that we have indicated to the Auditors and the Audit Committee:-
    a) Significant changes in internal control over financial reporting during the period.
    b) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statement
    c) Instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of
Mideast Integrated Steels Limited

V N Tiwari
Chief Executive Officer

Manas Pahi
CFO

Place: New Delhi
Date: 05.12.2020

REPORT OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To The Members

Mideast Integrated Steels Limited

New Delhi

We have examined the compliance of the conditions of Corporate Governance by Mideast Integrated Steels Limited for the year ended March 31, 2020, as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Tripti Shakya & Company
Practicing Company Secretary

Tripti Shakya
CP NO.: 23251
M. No.: 50667
UDIN: A050667B001443256
Place: New Delhi
Date: 05.12.2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Mideast Integrated Steels Limited
H-1, Zamrudpur Community Centre,
Kailash Colony, New Delhi- 110048

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mideast Integrated Steels Limited having CIN L74899DL1992PLC050216 and having registered office at H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi- 110048 (hereinafter referred to as 'the Company'), and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Following are the Directors on the Board of the Company as on the date of this certificate**:**

S. No	Name of Director	DIN
1.	Mrs. Rita Singh	00082263
2.	Mr. Gurjeet Singh Jawandha	00213573
3.	Mr. Sanjiv Batra	00602669
4.	Mrs. Natasha Sinha	00812380
5.	Mr. Hawa Singh Chahar	01691383
6.	Mr. Vishwambhar Nath Tiwari	08719133

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/s Tripti Shakya & Company
(Practicing Company Secretaries)
Tripti Shakya
M. NO.: 50667
CP. No. 23251
UDIN: A050667B001443190
Place: New Delhi
Date: 05.12.2020

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIDEAST INTEGRATED STEELS LIMITED

Report on the Audit of the Standalone Financial Statements Qualified Opinion

1. We have audited the accompanying standalone financial statements of M/s Mideast Integrated Steels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report,* the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive loss (comprising of the loss and other comprehensive loss), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Qualifications

1) *The Company, during the financial year, has had several transactions with its related parties, and has a net inter-company receivables being loans given, amounting to Rs 28.22 crores as at 31st March 2020 (Rs 26.86 crores as on 31st March 2019), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions:*
    - *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board.*
    - *The management has not carried out a detailed impairment assessment as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36.*

   Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.

2) *The Company, during the financial year, has given further loan to its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 16.10 crores as on 31st March 2020 (Rs 12.50 crores as on 31st March 2019). Regarding these amounts and transactions:*

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

- *The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36.*
- *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board.*
- *Since the subsidiary has its operations suspended since January 2019, there have only been purchases made by the Company from its subsidiary, totaling to Rs 0.44 crores during the year.*

Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.

3) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31st March 2020, the net worth is completely eroded and is negative at Rs 160.37 crores and the liabilities exceed the assets of the subsidiary company by Rs 160.37 crores. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the year had the company performed such impairment assessment.*

4) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto date of the balance sheet, of Rs 471.47 crores, making the total liability provision of Rs 1395.47 crores as on 31st March 2020.*

5) *Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure III attached herewith.*

6) *The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.*

7) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*

8) *In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 35.08 crores as on 31st March 2019) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2020. No litigation has been initiated by the Company on these balances.*

9) *During the year, the Company has written back a disputed liability of Rs 38.71 crores against the amounts due to a party. We have not been provided with any audit evidence in respect of such write back.*

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

Emphasis of Matter

1) *In March 2020, the Company received a demand notice from the GST department, Jajpur, for excess ITC credit claimed in the FY 2018-19. The net demand, after reconciliation and payments made by the Company, stands at Rs 42 crores. As per the management, since the books of accounts already have a GST liability payable of Rs 69 crore, which includes the above Rs 42 crores for FY 2018-19, hence no further provision for the same is required.*

2) *We draw attention to Note 4 to the financial results and Note 32 of the financials, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.*

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no matters determined to be the key audit matters to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   Since we have not been provided with the other information, we will not be able to report on the same.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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MUMBAI

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order

14. As required by Section 143(3) of the Act, based on our audit, *subject to the qualified opinion given above,* we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

    In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us, *subject to the qualified opinion given above*:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There has been no delay in transferring amounts, if required to be transferred, to the Investor Education and Protection Fund by the Company.

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ANNEXURE I TO AUDITORS' REPORT

[Referred to in above the Auditor's Report of even date for M/s Mideast Integrated Steels Limited on the Financial Statements for the year ended 31st March 2020]

1 (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.

(c) According to the information and explanation given to us, the title deeds of immovable properties are held in the name of the company.

2 As per the information provided to us, Inventory has been physically verified by the management during the year. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3 According to information and explanation given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act, *however in our opinion*:

- *The terms and conditions of the grant of such loans are prejudicial to the company's interest as no interest is being charged on the same upto year ended 31st March 2020.*
- *There is no schedule of repayment of principal and payment of interest that has been stipulated.*
- *The amounts given as loans, as on 31st March 2020, exceed the amounts as permitted by the loan agreement made between the Company and its related party.*
- *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*

4 In our opinion and according to information and explanation given to us, the company has, in respect of loans, investments, guarantees, and security provisions, has complied with section 186 of the Companies Act, 2013. *However, with respect to Section 185, the Company has advanced loans, including any loan represented by a book debt to those related parties where the director / directors of the Company are interested; however no special resolution is passed by the Company in general meeting for the same. Further, in the absence of sufficient information, we cannot give our opinion if the loans are utilised by the borrowing companies for their principal business activities.*

5 According to the information and explanation given to us, the company has not accepted any public deposits, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the company.

6 Pursuant to the rules made by the Central Government, the maintenance of Cost Records have been prescribed u/s. 148(1) of the Companies Act, 2013. We are of the view that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

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7 (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess and other statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.

(b) According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, Entry Tax and Customs duty as at March 31st, 2020 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:

Sr. No.	***Dues pertaining to***	***Amount (In Crores) March 2020***	***Amount (In Crores) March 2019***	***Forum where dispute is pending***
1	*Excise Duty*	*113.17*	*114.26*	*Various Authorities*
2	*Service Tax*	*1.88*	*3.00*	*Various Authorities*
3	*Sales and Entry Tax*	*27.80*	*24.84*	*Various Authorities*
4	*Income Tax*	*5.77*	*5.77*	*Various Authorities*
	Total	***148.62***	***147.87***	

8 *In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, details are as below:*

Srn	***Bank / Financial Institution***	***Default Amount***	***Currency***	***Default made for the month of***
1	*SREI Equipment Finance Limited*	*10,432,450*	*INR*	*Various months*
2	*BanyanTree Bank Limited (Loan no 0024)*	*6,25,000*	*USD*	*June & December 2019*
3	*BanyanTree Bank Limited (Loan no 0126)*	*1,16,666*	*USD*	*September 2019 & March 2020*
4	*BanyanTree Bank Limited (Loan no 0046)*	*1,16,667*	*USD*	*June & December 2019*

9 As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments). As per the information and explanation given to us, the fresh term loans taken by the Company during the year have been applied for the purpose for which those were raised.

10 During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

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11 According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12 The Company is not a Nidhi Company, hence the provision of clause 3(xii) are not applicable to the company.

13 According to the information and explanation given to us and the record produced before us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report,* all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14 According to information and explanation given to us, the Company during the year, has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence the provision of clause 3(xiv) are not applicable to the company.

15 According to the information and explanation given to us and the books of accounts verified by us, the company has not entered into any non-cash transactions with directors or persons connected with him.

16 The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31ST MARCH 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of M/s Mideast Integrated Steels Limited

We have audited the internal financial controls over financial reporting of M/s Mideast Integrated Steels Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

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reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting *however they need to be strengthened and comprehensively documented*, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

Arun Todarwal & Associates LLP

Chartered Accountants

ICAI Reg No: W100291

Arun Todarwal
Partner
M. No.: 032822
Dated : 5th December, 2020
Place: Mumbai

UDIN: 20032822AAAAAF9243

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31ST MARCH 2020

Details for Qualification in the Audit report – Point no 5:

Details of fixed deposits and loans where balance confirmations have not been provided to us for verification:

Bank and Fixed Deposit balances:

Srn	*Particulars*	*Closing Amount as per books (Rs)*
1	*Fixed deposit with Central Bank (For High Court matters)*	*14,95,000*

Loans by Other financial institutions:

Srn	*Particulars*	*Closing Amount as per books (Rs)*
1	*BanyanTree Bank Limited (Foreign currency loan)*	*(126,082,993)*

Mideast Integrated Steels Limited
Balance Sheet as at 31 March, 2020

	Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
			₹ in Mn	₹ in Mn
	ASSETS			
	Non current assets			
	Property, plant and equipment	3	7,496.36	8,115.00
	Capital work-in-progress		244.68	241.13
	Non current investments	4	1,918.92	1,918.92
	Financial assets			
	Security deposits	5	59.32	62.43
	Other financial assets	6	2,569.26	2,526.70
	Other non current assets	7	812.32	872.32
	Current assets			
	Inventories	8	922.89	1,129.26
	Financial assets			
	Trade receivables	9	663.50	730.50
	Cash and cash equivalents	10	154.15	534.95
	Advances	11	678.91	558.56
	Other financial assets	12	300.99	280.88
			15,821.30	**16,970.65**
	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	13	1,378.75	1,378.75
	Other equity	14		
	Securities premium		677.70	677.70
	Retained earnings		2,303.30	2,899.67
	Other reserves		1,642.61	1,642.61
	Total equity		**6,002.36**	**6,598.73**
	Non current liabilities			
	Financial liabilities			
	Borrowings	15	321.00	353.10
	Trade payables	16	-	387.11
	Other financial liabilities	17	4,997.76	4,957.01
	Deferred tax liabilities (net)	29.5	739.48	739.48
	Employee benefit obligations	18	61.29	65.97
	Current liabilities			
	Financial liabilities			
	Trade payables	19	2,327.25	2,045.55
	Other financial liabilities	20	1,363.10	1,814.55
	Employee benefit obligations	21	9.07	9.15
			15,821.30	**16,970.65**
	Notes forming part of the financial statements	**1 - 38**		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

For and on behalf of the Board of Directors

Arun Todarwal
Partner
M. No. 32822
UDIN: 20032822AAAAAF9243

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

Place : New Delhi
Date : 5 December 2020

(VN Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Mideast Integrated Steels Limited
Statement of Profit and Loss for the year ended 31 March, 2020

	Particulars	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
			₹ in Mn	₹ in Mn
	Revenue from operations (Gross)	22	4,737.46	8,702.37
	Total revenue		**4,737.46**	**8,702.37**
	Expenses			
	Cost of materials consumed	23a	3,561.27	6,356.51
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23b	90.07	(24.29)
	GST on sales	22	720.02	1,318.92
	Employee benefit expenses	24	258.41	286.09
	Other expenses	25	521.88	553.07
	Total expenses		**5,151.65**	**8,490.31**
	Earnings before interest, tax, depreciation and amortization (EBITDA)		**(414.19)**	**212.06**
	Less:			
	Depreciation and amortisation expenses	3	561.87	564.04
	Finance costs	26	17.43	45.85
	Add:			
	Other income (Net)	27	455.78	411.21
	Profit before extraordinary items, exceptional items and Prior Period Items and tax		**(537.69)**	**13.38**
	Exceptional/Extraordinary items		-	-
	Profit before tax		**(537.69)**	**13.38**
	Tax expenses:			
	Current tax net of MAT		-	-
	Tax expense relating to prior years		60.00	50.00
	Deferred tax		-	2.00
	Profit for the year		**(597.69)**	**(38.62)**
	Other Comprehensive Income:			
	Not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plans		1.32	0.80
	Less: Income tax effect		-	-
	Other comprehensive income for the year, net of tax		**1.32**	**0.80**
	Total Comprehensive income		**(596.37)**	**(37.82)**
	Earnings per Equity share (₹ 10/- each)			
	Basic & Diluted (₹)		(4.34)	(0.28)
	Notes forming part of the financial statements	**1 - 38**		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

For and on behalf of the Board of Directors

Arun Todarwal
Partner
M No. 32822
UDIN: 20032822AAAAAF9243

Natasha Sinha
Joint MD
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Rita Singh
CMD
DIN 00082263

Place : New Delhi
Date : 5 December 2020

(V N Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Mideast Integrated Steels Limited

Cash Flow Statement for the year ended 31 March, 2020

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(537.69)		13.38
Adjustments for				
Depreciation and amortisation	561.87		564.04	
Finance costs	17.43		45.85	
Interest income	(5.54)		(8.78)	
Rental income	(42.03)		-	
Liabilities / provisions no longer required written back	(392.44)		(393.67)	
Net unrealised exchange (gain) / loss	50.67		40.22	
		189.96		247.66
Operating profit / (loss) before working capital changes		(347.73)		261.04
Adjustments for (increase) / decrease in operating assets				
Inventories	206.37		29.62	
Trade receivables	67.00		(493.43)	
Short-term loans and advances	(120.36)		(189.07)	
Long-term loans and advances	(42.56)		(97.43)	
Other non-current assets	60.00		46.00	
Other current assets	(20.11)		35.71	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(105.41)		172.96	
Other current liabilities	-		540.76	
Other long-term liabilities	(39.51)		(242.62)	
Short-term provisions	(0.08)		1.13	
Long-term provisions	(4.68)		8.59	
		0.66		(187.77)
Cash generated from operations		(347.08)		73.27
Net income tax (paid) / refunds	(56.23)			(103.23)
Net cash flow from / (used in) operating activities (A)		**(403.31)**		**(29.96)**
B. Cash flow from investing activities				
Purchase/Sale of fixed assets including capital advance	(3.55)		(101.06)	
Investment in subsidiaries and joint ventures	0.00		0.00	
Rental receipt	42.03		0.00	
Interest received	5.54		8.78	
(Investment in fixed deposit/Proceeds from fixed deposits	302.85		283.33	
		346.87		191.04
Net cash flow from / (used in) investing activities (B)		**346.87**		**191.04**
C. Cash flow from financing activities				
Proceeds/(Repayment) of borrowings	(306.01)		186.20	
Finance cost	(17.43)		(45.85)	
		(323.44)		140.35
Net cash flow from / (used in) financing activities (C)		**(323.44)**		**140.35**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(379.88)**		**301.44**
Cash and cash equivalents at the beginning of the year		418.79		117.35
Cash and cash equivalents at the end of the year		**38.91**		**418.79**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

For and on behalf of the Board of Directors

Arun Todarwal
Partner
M No. 32822
UDIN: 20032822AAAAAF9243

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

Place : New Delhi
Date : 5 December 2020

(VN Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Mideast Integrated Steels Ltd.
Notes forming part of the financial statements

Note 1 Corporate Information

Mideast Integrated Steel Ltd, "The Company" is domiciled in India and was incorporated under the provisions of The Companies Act,1956. The Company is having its Registered Office in New Delhi with iron ore mining at Barbil and manufacturing unit at Jajpur, Odisha. The Company is primarily engaged in extraction of iron ore and production of pig iron. As a part of backward integration, the Company has Sinter production facilities and a gas based power plant.

On 31st March 2015, the Company has acquired 181,029,798 (99.28%) Equity Shares and 30,000,000 of 10%

Cumulative Redemable Preference Shares of M/s. Maithan Ispat Limited and thus became Holding Company.

Note 2 Significant accounting policies

a Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 “the Act”. For all periods upto and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and other relevant provisions of the Act. The date of transition to Ind AS is April 1, 2016. The financial statements have been prepared on a historical cost basis, except where the financial assets and liabilities had to be measured at fair value.

b Use of estimates

The preparation of the financial statements is in conformity with Ind AS which requires the management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the managements' best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

c Inventories

Inventories are valued at the lower of cost on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes.

d Depreciation and amortisation

Depreciation of tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of assets	Years
Plant and Machinery	8 to 35 years

Leasehold Assets are amortised over the duration of the lease.

e Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Other income is accounted on accrual basis. Dividend income is accounted for when the right to receive income is established.

f Property, Plant and Equipment

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

g Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Transition to Ind AS

On transition to Ind AS, the Company has elected that to continue with the carrying value of all intangible assets recognised as at April 1, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

h Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Year end balances of foreign currency monetary item is translated at the year end rates. Exchange differences arising on settlement of foreign currency monetary items of the Company are recognised as income or expense in the Statement of Profit and Loss. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

i Employee benefits

Employee benefits of short term nature are recognised as expense as and when these accrue. Long term employee benefits and post employment benefits, whether funded or otherwise, are recognised as expenses based on actuarial valuation at year end using the projected unit credit method. For discounting purpose, market yield of Government Bonds, at the balance sheet date, is used. Re-measurement gain or losses arising from experience adjustments changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re measurements are not reclassified to profit or loss in subsequent periods.

j Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during the period, any income earned on the temporary investment of those borrowings is deducted from the borrowing cost incurred.

k Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

l Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period.

m Taxes on income

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. 'The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.'Current tax and deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

n Research and development expenses

Expenditure incurred during research and development phase is charged to the Statement of Profit and Loss when no intangible asset arising from such research.

o Impairment of Non Financial assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The Impairment loss recognised in prior accounting period is reversed if there has been an improvement in recoverable amount.

p Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

q Measurement Of Profit Before Depreciation/Amortization, Interest And Tax (PBDIT)

As per Ind AS 1 “Presentation of financial statements”, the Company has elected to present PBDIT as a separate line item on the face of the statement of profit and loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expenses.

r Fair Value measurement of financial instruments

The financial assets and liabilities are valued at fair values based on Ind AS 39, 109 and 113.

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 3 Property, plant and equipment

₹ in Mn

Particulars	Gross Block				Depreciation				Net Block	
	As at March 31, 2019	Additions	Deductions	As at March 31, 2020	As at March 31, 2019	During the year	Deductions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land (Free hold)	25.55	-	21.00	4.55	-	-	-	-	25.55	4.55
Land and Site Development	953.39	-	-	953.39	521.87	141.21	-	663.06	431.62	290.43
Building	1,476.52	-	30.64	1,445.88	443.02	54.15	2.83	494.33	1,033.60	951.56
Plant and Machinery	10,043.94	0.48	-	10,044.82	3,906.61	297.22		4,203.81	6,137.52	5,841.01
Furniture and Fixtures	158.85	0.12	0.23	159.05	115.49	14.00	0.00	129.48	43.46	29.57
Office Equipment	34.65	0.09	-	34.73	26.09	3.05	-	29.13	8.65	5.60
Computer	81.77	0.33	-	82.30	78.52	0.48	-	78.99	3.55	3.31
Vehicles	94.20	0.00	21.22	72.99	60.80	6.29	12.46	54.64	33.42	18.35
V Sat	0.82	-	-	0.82	0.82	-	-	0.82	-	-
Railway Siding	683.14	-	-	683.14	285.72	45.46	-	331.17	397.62	351.98
Total	**13,553.73**	**1.02**	**73.08**	**13,482.57**	**5,438.94**	**561.87**	**15.29**	**5,985.42**	**8,115.00**	**7,496.36**
Previous Year	**13,557.76**	**7.39**	**13.22**	**13,553.73**	**4,880.70**	**564.04**	**5.71**	**5,438.94**	**8,677.78**	**8,115.00**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 4 Non current investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Investments (At cost)		
Trade and Unquoted		
a. Investment in equity shares		
Subsidiaries		
Maithan Ispat Limited *	1,798.85	1,798.85
32,38,26,010 (PY - 32,38,26,010) equity shares of rupees 10 each fully paid up		
Others		
Keonjhar Infrastructure Development Company Ltd	0.07	0.07
7,200 (PY - 7,200) equity shares of rupees 10 each fully paid up		
Mesco Steel Limited		
2,50,000 (PY - 2,50,000) equity shares of rupees 10 each fully paid up	100.00	100.00
b. Investment in preference shares		
Subsidiaries		
Maithan Ispat Limited	-	-
30,000,000 (PY- 30,000,000) 10% cumulative redeemable preference shares of rupees 10 each fully paid up		
Others		
Keonjhar Infrastructure Development Company Ltd	20.00	20.00
2,000,000 (PY - 2,000,000) 6% cumulative redeemable preference shares of rupees 10 each fully paid up		
Total	**1,918.92**	**1,918.92**

* Out of which 15,43,45,526 (PY 15,43,45,526) equity shares have been pledged with the lenders of Maithan Ispat Limited and balance of 1,14,75,000 equity shares would be pledged, totaling to 16,58,20,526 being 51% of equity shares to be pledged as per Agreement.

Note 5 Security deposits

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Security deposits		
Unsecured, considered good	59.32	62.43
Total	**59.32**	**62.43**

Note 6 Other financial assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Loans and advances to related parties		
Unsecured, considered good	2,569.26	2,526.70
Total	**2,569.26**	**2,526.70**

Note 7 Other non current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
MAT credit entitlement		
Unsecured, considered good	812.32	872.32
Total	**812.32**	**872.32**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 8 Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Raw materials	17.54	136.26
Finished goods	848.57	931.84
Stores and spares	56.79	61.17
Total	**922.89**	**1,129.26**

Note 9 Trade receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	339.53	199.04
Other Trade receivables		
Unsecured, considered good	323.97	531.46
Total	**663.50**	**730.50**

Note 10 Cash and cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Cash and cash equivalents		
Cash on hand	31.66	40.43
Balances with banks		
In current accounts	3.61	72.79
In deposit accounts	3.63	305.56
In deposit accounts *	63.19	63.31
In earmarked accounts		
- Unclaimed dividend accounts	39.14	37.48
Interest on Bank Deposits	12.91	15.38
Total	**154.15**	**534.95**

* Deposit includes the deposits with 100% margin issued by way of Bank Gurantee to various authorities & parties.

Note 11 Advances

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Loans and advances to Suppliers		
Unsecured, considered good	667.77	550.23
Loans and advances to employees		
Unsecured, considered good	11.15	8.33
Total	**678.91**	**558.56**

Note 12 Other financial assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Prepaid expenses		
Unsecured, considered good	1.75	1.81
Balances with government authorities		
Unsecured, considered good	140.59	122.96
Income Tax (Net of Provisions)	158.66	156.11
Total	**300.99**	**280.88**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 13 Equity share capital

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Authorised		
200,000,000 (P.Y. 140,000,000) Equity shares of ₹ 10/- each	2,000.00	2,000.00
Issued , Subscribed and Paid up		
137,875,000 (P.Y. 137,875,000) Equity shares of ₹ 10/- each	1,378.75	1,378.75
Total	**1,378.75**	**1,378.75**

A) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	₹ in Mn	No. of shares	₹ in Mn
Equity Shares				
Opening Balance	137,875,000	1,378.75	137,875,000	1,378.75
Changes during the year	-	-	-	-
Closing Balance	**137,875,000**	**1,378.75**	**137,875,000**	**1,378.75**

B) Shareholders holding more than 5% of the ordinary shares in the company

	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	%	No. of shares	%
Equity Shares				
Mideast (India) Limited	32,549,940	23.61	32,549,940	23.61
Mesco Mining Limited	17,000,000	12.33	17,000,000	12.33
Moorgate Industries India Private Limited	13,787,500	10.00	13,787,500	10.00
Mesco Steels Limited	13,146,800	9.54	13,146,800	9.54
Mesco Logistics Limited	12,151,700	8.81	12,151,700	8.81
Mesco Kalinga Steels Limited	10,000,000	7.25	10,000,000	7.25
Total	**98,635,940**	**71.54**	**98,635,940**	**71.54**

C) Right, preferences and restrictions attached to shares
Equity Shares- The company has one class of equity shares having par value of Rs. 10 each, rank pari passu in all respects including voting rights and entitlement to dividend.

Note 14 Other equity

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Capital Reserve		
Opening balance	1,642.61	1,642.61
Add: Changes during the year	-	-
Closing balance	1,642.61	1,642.61
Securities premium account		
Opening balance	677.70	677.70
Add : Premium on shares issued during the year	-	-
Closing balance	677.70	677.70
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,899.67	2,937.49
Add: Profit / (Loss) for the year	(597.69)	(38.62)
Add / Less: Re-measurement gains/ (losses) on defined benefit plans	1.32	0.80
Closing balance	2,303.30	2,899.67
Total	**4,623.61**	**5,219.98**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 15 Borrowings

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
	Non-Current	Current	Non-Current	Current
Secured				
Term loans from Banks (Refer note 1)	5.45	6.59	12.01	296.97
Term loans from Other Parties (Refer note 1)	18.22	18.99	32.79	19.19
	23.67	25.59	44.80	316.16
Unsecured				
From Promoters	279.74	-	283.99	-
From Banks (Refer note 2)	17.59	108.49	24.31	91.83
	297.33	108.49	308.30	91.83
Total	**321.00**	**134.09**	**353.10**	**408.00**

Notes

(1) Details of terms of repayment for the secured long-term borrowings and security provided in respect of the secured long-term borrowings

Particulars	Terms of repayment and security	As at 31 March, 2020		As at 31 March, 2019	
		Non-Current	Current	Non-Current	Current
		₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
Term loans from banks					
ICICI Bank Limited	Vehicle loan of ₹ 0.78 Mn (PY ₹ 1.19 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 20.	0.33	0.45	0.78	0.41
ICICI Bank Limited	Vehicle loan of ₹ 0.17 Mn (PY ₹ 0.37 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 9.	-	0.17	0.17	0.20
ICICI Bank Limited	Vehicle loan of ₹ 0.10 Mn (PY ₹ 0.23 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 6.	-	0.10	0.08	0.15
ICICI Bank Limited	Vehicle loan of ₹ 2.56 Mn (PY ₹ 4.33 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 16.	0.64	1.92	2.56	1.77
ICICI Bank Limited	Vehicle loan of ₹ 0.02 Mn (PY ₹ 0.04 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 9.	-	0.02	0.02	0.02
ICICI Bank Limited	Vehicle loan of ₹ 2.46 Mn (PY ₹ 3.50 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 24.	1.31	1.16	2.46	1.04
ICICI Bank Limited	Vehicle loan of ₹ 2.11 Mn (PY ₹ 3.00) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 24.	1.12	0.99	2.11	0.89
ICICI Bank Limited	Vehicle loan of ₹ 2.13 Mn (PY ₹ 3.00 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 24.	1.14	0.99	2.13	0.87
ICICI Bank Limited	Vehicle loan of ₹ 1.70 Mn (PY ₹ 2.40 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 24.	0.91	0.79	1.70	0.70
Kotak Bank Limited	Term loan of ₹ NIL (PY ₹ 290.92 Mn) is secured by 2nd charge on assets of Pig Iron Plant and residential flat at Bhubneswar.	-	-	-	290.92
Total - Term loans from banks		**5.45**	**6.59**	**12.01**	**296.97**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 15 Borrowings (contd.)
Notes (contd.)

Term loans from other parties:					
Daimler Financial Services Pvt. Ltd.	Vehicle loan of ₹ NIL (PY ₹ 0.07 Mn) are secured by first charge by way of hypothecation of the respective vehicles.	-	-	-	0.07
Srei Equipment Finance Limited	Equipment loan of ₹ 37.19 Mn (PY ₹ 51.91 Mn) are secured by first charge by way of hypothecation of the respective equipment. Number of balance EMI payable is 31.	18.22	18.99	32.79	19.12
Total - Term loans from other parties		**18.22**	**18.99**	**32.79**	**19.19**

(2) Details of long term borrowings guranteed by directors or others

Particulars	Terms of repayment	As at 31 March, 2020		As at 31 March, 2019	
		Non-Current	Current	Non-Current	Current
		₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD Mn (PY USD 1.88 Mn) is payable in 8 equitable installments starting June 2016.	-	70.67	-	65.10
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD 0.21 Mn (PY USD 0.335 Mn) is payable in 12 installments. Number of instalments payable is 2.	-	15.83	-	14.58
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD 0.53 Mn (PY USD 0.7 Mn) is payable in 12 installments. Number of instalments payable is 8.	17.59	21.99	24.31	12.15
Total long term borrowings		17.59	108.49	24.31	91.83

Note 16 Trade payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Trade payables	-	387.11
Total	**-**	**387.11**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 17 Other financial liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Advances from customers	4,997.76	4,957.01
Total	**4,997.76**	**4,957.01**

Note 18 Employee benefit obligations

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	50.39	54.19
Provision for leave encashment	10.90	11.78
Total	**61.29**	**65.97**

Note 19 Trade payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Micro, Small & Medium enterprises	-	-
Others	2,327.25	2,045.55
Total	**2,327.25**	**2,045.55**

Note 20 Other financial liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Current maturities of long-term debt	134.09	408.00
Interest accrued and due on borrowings	2.84	1.39
Unclaimed dividends	39.14	37.49
Statutory Dues	809.63	772.65
Trade / security deposits received	31.08	31.08
Advances from customers	304.85	520.16
Employee related liabilities	41.45	43.76
Total	**1,363.10**	**1,814.55**

Note 21 Employee benefit obligations

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	7.68	7.91
Provision for leave encashment	1.39	1.24
Total	**9.07**	**9.15**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 22 Revenue from operations

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Sale of products	4,737.46	8,702.37
Less: GST on sales	720.02	1,318.92
Total	**4,017.44**	**7,383.45**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Sale of products comprises		
Plant-Manufactured Goods	3,794.97	6,854.74
Plant-Traded Goods	222.47	528.70
Mines	-	-
Total	**4,017.44**	**7,383.45**

Note 23a Cost of materials consumed

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Opening stock	136.26	206.77
Add: Purchases	3,442.56	6,286.00
Less: Closing stock	17.54	136.26
Cost of material consumed	**3,561.27**	**6,356.51**
Material consumed comprises		
Raw material -Iron ore	899.54	1,319.05
Raw material - Coke	2,489.59	4,545.08
Other items	172.15	492.38
Total	**3,561.27**	**6,356.51**

Note 23b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Inventories at the end of the year		
Finished goods	848.57	931.84
	848.57	931.84
Inventories at the beginning of the year		
Finished goods	931.84	901.71
Stock-in-transit - FG	-	0.51
	931.84	902.22
Less: Excise duties on increase / (decrease) of finished goods	6.80	5.33
Net increase / (decrease)	**(90.07)**	**24.29**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 24 Employee benefits expenses

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Salaries and wages	246.93	255.46
Contributions to provident and other funds	10.25	16.33
Provision for gratuity	(2.57)	8.92
Provision for leave	0.12	0.82
Staff welfare expenses	3.68	4.56
Total	**258.41**	**286.09**

Note 25 Other expenses

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Consumption of stores and spare parts	80.88	92.32
Royalty cost	18.00	-
Power and fuel	96.62	119.33
Water charges	12.54	13.58
Material handling Charges	8.12	8.48
Rent	15.85	27.74
Repairs and maintenance - Buildings	3.36	1.96
Repairs and maintenance - Machinery	6.25	6.03
Repairs and maintenance - Others	36.26	26.95
Labour charges	30.86	22.65
Insurance	16.16	19.63
Rates and taxes	4.38	11.04
Communication	2.13	4.17
Travelling and conveyance	26.03	39.57
Selling & distribution	10.39	10.39
Donations and contributions	17.13	19.86
Legal and professional	42.57	53.99
Net loss on foreign currency transactions and translation	50.67	40.22
Payments to auditors (Refer Note below)	1.50	1.69
CSR expenses	0.53	1.75
Miscellaneous expenses	41.65	31.72
Total	**521.88**	**553.07**

Note

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Payments to the auditors comprises		
For statutory audit	1.50	1.65
For Taxation Matters	-	0.04
Total	**1.50**	**1.69**

Note 26 Finance costs

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Interest expense on		
Borrowings	15.09	43.69
Interest on delayed / deferred payment of statutory dues	0.68	2.16
Other borrowing cost	1.65	-
Total	**17.43**	**45.85**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 27 Other income

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Interest income (Refer Note below)	5.54	8.78
Rental Income	42.03	-
Liabilities / provisions no longer required written back	392.44	393.67
Others	15.77	8.76
Total	**455.78**	**411.21**

Note

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Interest income comprises		
Interest from banks deposits	5.54	8.78
Total	**5.54**	**8.78**

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 28 Additional information to the financial statements

	Particulars	As at 31 March, 2020	As at 31 March, 2019
		₹ in Mn	₹ in Mn
28.1	**Contingent liabilities (to the extent not provided for)**		
	(a) Claims against the company not acknowledged as debt		
	(i) Central excise, customs and service tax	1,150.53	1,172.66
	(ii) Sales tax and entry tax	278.00	248.39
	(iii) Income Tax	57.76	57.76
	(b) Guarantee provided in respect of obligations of a subsidiary	7,829.50	7,829.50

28.2 **Capital Commitments**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	105.34	105.34

28.3 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Consequently the amount paid/payable to these parties is NIL.

28.4 **Details on unhedged foreign currency exposures**

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below

As on 31st March 2020		As on 31st March 2019	
Receivable /(Payable) ₹ in Mn	Receivable /(Payable) USD in Mn	Receivable /(Payable) ₹ in Mn	Receivable /(Payable) USD in Mn
(645.78)	(8.57)	(592.10)	(8.53)

28.5 **Value of imports calculated on CIF basis**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	₹ in Mn	₹ in Mn
Raw materials	-	-
Spare parts	-	-
Capital goods	-	-

28.6	Expenditure in foreign currency		
	Interest	3.97	35.65
	Travelling	9.21	4.25
	Consultancy	-	-

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 28 Additional information to the financial statements (contd.)

28.7 **Details of consumption of imported and indigenous items**

Particulars	For the year ended 31 March, 2020	
	₹ in Mn	%
Imported		
Raw Materials	-	-
Spare parts	-	-
Indigenous		
Raw materials	-	-
Spare parts	-	-
Total	-	-

Note: Previous year figures are NIL

28.8 **Earnings in foreign exchange**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	₹ in Mn	₹ in Mn
Export of goods calculated on FOB basis	6.70	6.73

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards

29.1 **Post retirement benefit plans**

29.1a Defined contribution plans

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefit. The Company recognised ₹ 10.25 Mn (PY - ₹ 16.33 Mn) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plan by the Company is at rate specified in the rules of the scheme.

29.1b Defined benefit plans

The Company's post retirement defined benefit plans include Gratuity which is unfunded. The following table sets out the provision for gratuity amount recognised in the financial statements.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
	Gratuity	Gratuity
	₹ in Mn	
Components of employer expense		
Current service cost	5.04	5.91
Interest cost	4.50	3.74
Past service cost	-	-
Actuarial losses/(gains)	(12.10)	1.19
Total expense recognised in the Statement of Profit and Loss	**(2.57)**	**10.84**
Actual contribution and benefit payments for year		
Actual benefit payments	1.46	1.94
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(58.07)	(62.10)
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(58.07)**	**(62.10)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	62.10	53.19
Current service cost	5.04	5.91
Interest cost	4.50	3.74
Actuarial (gains) / losses	(12.10)	1.19
Past service cost	-	-
Benefits paid	(1.46)	(1.94)
Present value of DBO at the end of the year	**58.07**	**62.10**
Actuarial assumptions		
Discount rate	6.80%	7.50%
Salary escalation	6%	6%
Mortality tables	IALM(2012-14) Ult	IALM(2006-08) Ult

29.2 **Segment information**

The Company's business activity primariliy falls within a single business segment i.e, Iron and Steel business and hence there are no disclosures to be made under Ind AS 108.

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards (contd.)

Related party transactions
Details of related parties

Note	Description of relationship	Names of related parties
29.3a	Subsidiaries	Maithan Ispat Limited
	Key Management Personnel (KMP)	Mrs. Rita Singh (Chairperson cum Managing Director) Mrs. Natasha Singh Sinha (Joint Managing Director)) Mr. S. N. Kambali* Mr. Pawan Kumar (Company Secretary)** Mr. Sandeep Agarwal (Company Secretary) Mr. Sisirkanta Panigrahi***
	Relatives of KMP	Mr. Jitendra Kumar Singh **** Mrs. Shipra Singh Rana
	Company in which KMP / Relatives of KMP can exercise significant influence	a) Mesco Steels Limited b) Mesco Logistics Limited c) Mesco Kalinga Steels Limited d) Mesco Mining Limited e) Mideast India Limited f) Mesco Pharmaceuticals Limited g) Mesco Hotels Limited h) Mesco Aerospace Limited i) Mesco Laboratories Limited j) Mesco Shoes Limited k) Twenty First Century Finance Limited l) Mesco India Limited m) Chhindwara Coal Washing Private Limited n) Forrester Foods Private Limited o) Chhindwara Energy Limited p) Chhindwara Power Limited q) Gondwana Energy Limited r) SAARC Helicopters Private Limited s) Mesco Magic Cement Ltd t) SS & R Films Private Limited u) Kayaana Constuctions Limited v) Mesco Gold Combodia Limited
	Note: Related parties have been identified by the Management. * Mr. S. N. Kambali ceases to be CEO from 21st June 2019. ** Mr. Pawan Kumar ceases to be Company Secretary from 27th July 2019. *** Mr. Sisirkanta Panigrahi ceases to be CEO from 31st December 2019. **** Mr. Jitendra Kumar Singh deceased on 5th September 2019.	

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards (contd.)

₹ in Mn

Note	Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:				
29.3b	**Transaction during the year**	**Subsidiary**	**KMP**	**Relatives of KMP**	**Entities in which KMP / relatives of KMP have significant influence**
	Rentals services				
	Mesco Steels Limited				0.28
					(0.41)
	Mesco Logistics Limited				0.47
					(0.68)
	Mesco Hotels Limited				0.64
					(0.82)
	Mesco Kalinga Steels Limited				0.62
					(0.82)
	Mrs. Rita Singh		1.50		

			(6.00)		
	Mrs. Natasha Singh Sinha		1.50		
			(6.00)		
	Mrs. Shipra Singh Rana			-	
				(0.60)	
	Remuneration $				
	Mr. Jitendra Kumar Singh			-	
				(13.94)	
	Mrs. Rita Singh		-		
			(15.68)		
	Mrs. Natasha Singh Sinha		9.47		
			(18.47)		
	Mrs. Shipra Singh Rana			-	
				(8.37)	
	Ms. Sandhya Sethia		-		
			(0.64)		
	Mr. Pawan Thakur		0.74		
			(0.62)		
	Mr. S. N. Kambali		0.76		
			(4.64)		
	Mr. Sandeep Agarwal		0.59		
			-		
	Mr. Sisirkanta Panigrahi		0.82		
			-		

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards (contd.)

₹ in Mn

	Purchase of Goods				
	Maithan Ispat Limited	4.35			
	(including duties & taxes)	(220.66)			
	Mesco Kalinga Steels Limited	2,435.29			
	(including duties & taxes)	(1,141.32)			
	Sale of Goods				
	Maithan Ispat Limited	-			
	(including duties & taxes)	(290.70)			
	Mesco Kalinga Steels Limited	-			
	(including duties & taxes)	(23.77)			
	Loans and Advances given				
	Mesco Steels Limited				-
					(42.98)
	Mesco Magic Cement Limited				
					(20.31)
	Mesco Mining Limited				61.53
					(59.37)
	Mesco Aerospace Limited				-
					(48.49)
	Mesco Pharmaceuticals Limited				-
					(3.58)
	Maithan Ispat Limited				38.50
					-
	Loans and Advances repaid back to Company				
	21st Century Finance Limited				1.71
					-
	Forrester Foods Private Limited				20.08
					-
	Mesco Hotels Limited				0.68
					-
	Mesco Pharmaceuticals Limited				3.91
					-
	Mesco Magic Cement Limited				19.64
					-
	Saarc Helicopters Private Limited				0.02
					-
	Kayaana Constructions Limited				3.20
					-

	S S & R Films Private Limited				0.01
					-
	Mesco Aerospace Limited				3.57
					-
	Mesco Steels Limited				8.42
					-
	Mesco Gold Cambodia Limited				37.35
					-
	Sale of Asset				
	Forrester Foods Private Limited				13.20
					-
	Mideast India Limited				33.10
					-
	Loans and Advances repaid back by Company				
	Mesco Shoes Limited				0.76
					-
	Mideast India Limited				35.01
					-
	Mesco Logistocs Limited				25.68
					-
	Mesco Laboratories Limited				0.01
					-
	Investment in shares				
	Maithan Ispat Limited	-			
		(1,798.85)			
	Rental Income				
	Maithan Ispat Limited	1.50			
		(6.00)			
	Corporate guarantees given				
	Maithan Ispat Limited	-			
		(7,829.50)			
	Balances outstanding at the end of the year				
	Advances and Debtors				
	Mesco Steels Limited				2,126.79
					(2,135.70)
	Maithan Ispat Limited	425.66			
		(387.11)			
	Mesco Aerospace Limited				99.28
					(106.56)
	S S & R Films Private Limited				-
					(0.01)
	Saarc Helicopters Private Limited				-
					(0.02)
	Mesco Pharmaceuticals Limited				-
					(3.91)
	21st Century Finance Limited				-
					(1.71)
	Forrester Foods Private Limited				-
					(6.88)
	Mesco Mining Limited				182.19
					(120.66)
	Kayaana Constructions Limited				-
					(3.20)
	Mesco Hotels Limited				-
					(0.68)
	Mesco Magic Cement Limited				-
					(19.64)
	Mesco Logistocs Limited				-
					(0.44)
	Mesco Laboratories Limited				-
					(0.01)
	Payables				
	Mesco Kalinga Steels Limited				418.04
					(263.97)
	Mesco Shoes Limited				-
					(0.76)
	Mideast India Limited				-
					(1.91)

$ Remuneration includes perquisites computed as per Income Tax Act.
Note: Figures in bracket relates to the previous year

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards (contd.)

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
29.4	**Earnings per share**		
	Basic & Diluted		
	Net profit / (loss) for the year attributable to the equity shareholders (₹ in Mn)	(597.69)	(38.62)
	Weighted average number of equity shares	137,875,000	137,875,000
	Par value per share (₹)	10	10
	Earnings per share (₹)	(4.34)	(0.28)

	Particulars	As at 31 March, 2020 ₹ in Mn	As at 31 March, 2019 ₹ in Mn
29.5	**Deferred tax (liability) / asset**		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	(757.28)	(757.28)
	Tax effect of items constituting deferred tax liability	(757.28)	(757.28)
	Tax effect of items constituting deferred tax assets		
	Provision for compensated leaves, gratuity and disallowances under Income Tax	17.80	17.80
	Tax effect of items constituting deferred tax assets	17.80	17.80
	Net deferred tax (liability) / asset	**(739.48)**	**(739.48)**

Note 30

In pursuance to the Judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 (Common Cause v/s Union of India & Others), an amount of ₹ 924.75 crores has been imposed on the Company towards 'Compensation' as determined in the said Judgement which was to be paid by 31st December 2017, eventhough the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018.

The Company has however filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement and which is still pending. Hence provision has not been made for the same in the books of accounts. Further in the said case Company managed to get an Order dated 15th January, 2020 from Hon'ble Supreme Court, according to which Company get permission to sell 23,51,027.83 T of iron ore of different grade and sizes and which has been extracted. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 55.67 cores including GST till October 2020 **under protest** towards Penalty amount.

Note 31

Maithan is hundred percent subsidiary of Mideast Integrated Steels Limited. The Company holds 99.6% of Maithan share capital amounting to Rs. 1,798.85 million. There are purchase transaction with Maithan amounting to Rs. 4.35 million during the year 2019-2020. Maithan plant is not in operation since February 2019. The Company has given advances to Maithan keeping in view the prospective revival of the Company in near future. For the same purchase advances have been given during the year by the Company. The same is duly approved by the Board and Audit Committee.

Mideast Integrated Steels Limited
Notes forming part of the financial statements

Note 32 There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in Mumbai High Court. The Company is confident to win the award and hence not making any provision in the books.

Note 33 Mauritian Regulator has taken over Banyantree Bank Limited in March 2020. Due to this, the Company could not provide the loan confirmation as on 31 March 2020. Further as bank has been taken over, we were not able to remit the amount towards loan repayment to them.

Note 34 The company intends to convert unsecured loans received from Promoters into Equity in compliance with the provisions of Companies Act 2013 and SEBI (ICDR) Regulations 2009 subject to approval of requisite authority.

Note 35 The balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.

Note 36 The Management has reviewed all the assets and liabilities of the Company. The assets and liabilities of the Company has been valued at receivable and payable value respectively.

Note 37 COVID 19 and its global impact has put limittaions on the physical movement and functioning of the people in the Company. The Company has tried to collate confirmations and provide the same to the extent possible.

Note 38

Disclosure in respect of Corporate Social Resonsibility under section 135 of the Companies Act and the Rules thereon:

₹ in Mn

	Particulars	Cash	Yet to be paid in cash	Total
	Amount spent during the year ending March 31, 2020			
	i) Construction/acquisition of any asset	-	-	-
	ii) On purpose other than (i) above	0.15	-	0.15
	Amount spent during the year ending March 31, 2019			
	i) Construction/acquisition of any asset	-	-	-
	ii) On purpose other than (i) above	0.10	-	0.10

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

Arun Todarwal
Partner
M. No. 32822
UDIN: 20032822AAAAAF9243

Place : New Delhi
Date : 5 December 2020

For and on behalf of the Board of Directors

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

(V N Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIDEAST INTEGRATED STEELS LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying Consolidated financial statements of M/s Mideast Integrated Steels Limited ("the Company"), which includes its subsidiary (the Company and its subsidiary, together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report,* the aforesaid Consolidated financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and total consolidated comprehensive loss (comprising of the consolidated loss and consolidated other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated financial statements.

Qualifications

In the audit report of the Holding Company – Mideast Integrated Steels Limited

1) *The Company, during the financial year, has had several transactions with its related parties, and has a net inter-company receivables being loans given, amounting to Rs 28.22 crores as at 31st March 2020 (Rs 26.86 crores as on 31st March 2019), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions:*
    - *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board.*
    - *The management has not carried out a detailed impairment assessment as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36.*

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.

2) *The Company, during the financial year, has given further loan to its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 16.10 crores as on 31st March 2020 (Rs 12.50 crores as on 31st March 2019). Regarding these amounts and transactions:*
   - *The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36.*
   - *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board.*
   - *Since the subsidiary has its operations suspended since January 2019, there have only been purchases made by the Company from its subsidiary, totaling to Rs 0.44 crores during the year.*

   Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.

3) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31st March 2020, the net worth is completely eroded and is negative at Rs 106.31 crores and the liabilities exceed the assets of the subsidiary company. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the year had the company performed such impairment assessment.*

4) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto date of the balance sheet, of Rs 471.47 crores, making the total liability provision of Rs 1395.47 crores as on 31st March 2020.*

5) *Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure I attached herewith.*

6) *The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.*

7) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

8) *In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 35.08 crores as on 31st March 2019) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2020. No litigation has been initiated by the Company on these balances.*

9) *During the year, the Company has written back a disputed liability of Rs 38.71 crores against the amounts due to a party. We have not been provided with any audit evidence in respect of such write back.*

Other CARO based Qualifications for Holding Company – Mideast Integrated Steels Limited

1) *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*

2) *According to information and explanation given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act, however in our opinion:*

- *The terms and conditions of the grant of such loans are prejudicial to the company's interest as no interest is being charged on the same upto year ended 31st March 2020.*
- *There is no schedule of repayment of principal and payment of interest that has been stipulated.*
- *The amounts given as loans, as on 31st March 2020, exceed the amounts as permitted by the loan agreement made between the Company and its related party.*
- *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*

3) *With respect to Section 185, the Company has advanced loans, including any loan represented by a book debt to those related parties where the director / directors of the Company are interested; however no special resolution is passed by the Company in general meeting for the same. Further, in the absence of sufficient information, we cannot give our opinion if the loans are utilised by the borrowing companies for their principal business activities.*

4) *In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, details are as below:*

Srn	***Bank / Financial Institution***	***Default Amount***	***Currency***	***Default made for the month of***
1	*SREI Equipment Finance Limited*	*10,432,450*	*INR*	*Various months*
2	*BanyanTree Bank Limited (Loan no 0024)*	*6,25,000*	*USD*	*June & December 2019*
3	*BanyanTree Bank Limited (Loan no 0126)*	*1,16,666*	*USD*	*September 2019 & March 2020*
4	*BanyanTree Bank Limited (Loan no 0046)*	*1,16,667*	*USD*	*June & December 2019*

5) *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, Entry Tax and Customs duty as at March 31st 2020 have not been deposited with appropriate*

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MUMBAI

authorities and no provision has been made for the same. Details are as follows:

Sr. No.	***Dues pertaining to***	***Amount (In Crores) March 2020***	***Amount (In Crores) March 2019***	***Forum where dispute is pending***
1	*Excise Duty*	*113.17*	*114.26*	*Various Authorities*
2	*Service Tax*	*1.88*	*3.00*	*Various Authorities*
3	*Sales and Entry Tax*	*27.80*	*24.84*	*Various Authorities*
4	*Income Tax*	*5.77*	*5.77*	*Various Authorities*
	Total	***148.62***	***147.87***	

In the audit report of the Subsidiary Company – Maithan Ispat Limited

1. *The total assets of the company stand at Rs 700.30 crores (Rs 738.25 crores as on 31st March 2019), and the total liabilities as on 31st March 2020 are Rs 806.60 crores (Rs 804.57 crores as on 31st March 2019). The accumulated losses for the company as on 31st March 2020 are Rs 890.45 crores (Rs 850.74 crores as on 31st March 2019) and the Net worth is negative Rs 106.31 crores (negative Rs 66.32 crores as on 31st March 2019).*

   The plant has been shut down since January 2019 and has not yet started its activities till date. The banks have stopped all working capital funding into the Company. The Company has not been able to meet its obligations of repayments of loans towards banks during the year. They have also not been able to meet its obligations towards other statutory liabilities.

   Taking the above facts into consideration, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

2. *The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.*

3. *Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure II attached herewith.*

4. *The internal audit report, for the year ended 31st March 2020, has not been shared with us.*

5. *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*

6. *In our opinion, a provision of Rs 39.35 crores (Rs 10.56 crores in March 2019) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company, including capital advances) as on 31st March 2020.*

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MUMBAI

7. *We have not been provided with the stock valuation working, nor the stock physical verification report, as on 31st March 2020. Hence we are unable to comment on the correctness of the quantity as well as valuation taken as on 31st March 2020. The total value of closing stocks is shown at Rs 94.15 crores as on 31st March 2020.*

Other CARO based Qualifications for Subsidiary Company – Maithan Ispat Limited

1. *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*

2. As per the information provided to us, Inventory has been physically verified by the management during the year, *however we have not been provided with the physical verification report for our comments on the same.*

3. *According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, GST and other statutory dues, if any, applicable to it, has not been deposited with the appropriate authorities since March 2019.*

4. *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, VAT, Entry Tax, Customs duty, Income Tax & Electricity Duty as at March 31st, 2020 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows*:

Sr. No.	***Dues pertaining to***	***March 2020 - Amount (In Crores)***	***March 2019 - Amount (In Crores)***	***Forum where dispute is pending***
1	*Excise Duty & Service Tax*	*17.12*	*17.12*	*Various Excise Authorities*
2	*Sales Tax, VAT*	*1.99*	*1.99*	*Various Authorities*
4	*Custom Duty*	*23.39*	*23.39*	*Various Authorities*
5	*Income Tax*	*35.49*	*35.49*	*Various Authorities*
6	*Electricity Duty*	*9.47*	*9.47*	*High Court of Orrisa*
	Total	***87.46***	***87.46***	

5. *In our opinion and according to the information and explanation given to us, the company has defaulted in repayment of all the dues for all the financial institutions and banks as on 31st March 2020. In the absence of any information with respect to the quantum of default, we are not able to ascertain the default amount.*

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Emphasis of Matter

In the audit report of the Holding Company – Mideast Integrated Steels Limited

1) *In March 2020, the Company received a demand notice from the GST department, Jajpur, for excess ITC credit claimed in the FY 2018-19. The net demand, after reconciliation and payments made by the Company, stands at Rs 42 crores. As per the management, since the books of accounts already have a GST liability payable of Rs 69 crore, which includes the above Rs 42 crores for FY 2018-19, hence no further provision for the same is required. Our opinion is not modified in respect of this matter.*

2) *We draw attention to Note 4 to the financial results and Note 32 of the financials, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an Arbitration Award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.*

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We do not have any matters determined to be the key audit matters to be communicated in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Since we have not been provided with the other information, we will not be able to report on the same.

Responsibilities of management and those charged with governance for the Consolidated Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated

financial position, consolidated financial performance, total consolidated comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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MUMBAI

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, *subject to the qualified opinion given above,* based on our audit, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors as on March 31, 2020 of the Group, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, in our opinion and to the best of our information and according to the explanations given to us, the Group, have, in all material respects, internal financial controls system over

ARUN TODARWAL & ASSOCIATES LLP
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financial reporting however they need to be strengthened, as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us, *subject to the qualified opinion given above*:

i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, if required to be transferred, to the Investor Education and Protection Fund by the Group.

For and on behalf of

Arun Todarwal & Associates LLP

Chartered Accountants

ICAI Reg No: W100291

Arun Todarwal
Partner
M. No.: 032822
Dated : 5th December, 2020
Place: Mumbai

UDIN: 20032822AAAAAK3318

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
MUMBAI

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31ST MARCH 2020

In the audit report of the Holding Company – Mideast Integrated Steels Limited

Details of fixed deposits and loans where balance confirmations have not been provided to us for verification:

Bank and Fixed Deposit balances:

Srn	*Particulars*	*Closing Amount as per books (Rs)*
1	*Fixed deposit with Central Bank (For High Court matters)*	*14,95,000*

Loans by Other financial institutions:

Srn	*Particulars*	*Closing Amount as per books (Rs)*
1	*BanyanTree Bank Limited (Foreign currency loan)*	*(126,082,993)*

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ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31ST MARCH 2020

In the audit report of the Subsidiary Company – Maithan Ispat Limited

Details of fixed deposits and loans where balance confirmations have not been provided to us for verification:

Fixed Deposit, Bank Guarantees (BG) Margin and Letter of Credit (LC) Margin balances:

Srn	*Particulars*	*Closing Amount as per books (Rs)*
1	*State Bank of India – BG Margin*	*23,99,500*
2	*State Bank of India – LC Margin*	*67,764,662*
3	*State Bank of India Fixed Deposit*	*(55,809,082)*
4	*Allahabad Bank – BG Margin*	*78,96,000*
5	*Allahabad Bank – LC Margin*	*(68,19,074)*
6	*Punjab National Bank – BG Margin*	*44,40,000*
7	*Punjab National Bank – LC Margin*	*15,155,450*

Secured Loans by Banks:

Srn	*Particulars*	*Loan Account number*	*Closing Amount as per books (Rs)*
1	*Indian Overseas Bank*	*xxxxxxxxxx0001*	*(486,735,631)*
2	*Indian Overseas Bank*	*xxxxxxxxxx0002*	*(18,001,562)*
3	*State Bank of India*	*xxxxxxx6459*	*(665,600,000)*
4	*State Bank of India*	*xxxxxx3545*	*(20,782,989)*
5	*Punjab National Bank*	*xxxxxxxxxx00733*	*(418,128,856)*
6	*Punjab National Bank*	*xxxxxxxxxx01037*	*(31,270,073)*
7	*Oriental Bank of Commerce*	*xxxxxxxx00078*	*(447,448,229)*
8	*Oriental Bank of Commerce*	*xxxxxxxx02378*	*(19,324,275)*
9	*State Bank of Maharashtra*	*xxxxxxx0008*	*(262,300,000)*

Mideast Integrated Steels Limited
Consolidated Balance Sheet as at 31 March, 2020

	Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
			₹ in Mn	₹ in Mn
	ASSETS			
	Non current assets			
	Property, plant and equipment	3	11,045.80	11,925.35
	Capital work-in-progress		706.35	702.29
	Non current investments	4	120.10	120.10
	Financial assets			
	Security deposits	5	113.49	116.60
	Other financial assets	6	2,408.26	2,401.70
	Other non current assets	7	1,118.09	1,179.18
	Deferred tax assets (Subsidiary)		1,398.05	1,398.05
	Current assets			
	Inventories	8	1,864.39	2,104.58
	Financial assets			
	Trade receivables	9	413.15	481.92
	Cash and cash equivalents	10	277.50	662.69
	Advances	11	678.91	731.52
	Other financial assets	12	456.44	343.20
			20,600.52	**22,167.18**
	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	13	1,378.75	1,378.75
	Other equity	14		
	Securities premium		677.70	677.70
	Retained earnings		(1,383.27)	(391.07)
	Other reserves		1,642.61	1,642.61
	Equity attributable to equity shreholders of parent		2,315.79	3,307.99
	Non controlling interest		1,133.30	991.80
	Total equity		**3,449.09**	**4,299.79**
	Non current liabilities			
	Financial liabilities			
	Borrowings	15	3,473.28	3,563.67
	Other financial liabilities	16	4,997.76	4,957.01
	Deferred tax liabilities (net)	28.5(a)	739.48	739.48
	Employee benefit obligations	17	69.52	74.20
	Capital Reserves on consolidation		927.14	1,396.71
	Current liabilities			
	Financial liabilities			
	Trade payables	18	3,348.82	3,534.37
	Other financial liabilities	19	3,580.84	3,588.10
	Employee benefit obligations	20	14.60	13.85
			20,600.52	**22,167.18**
	Notes forming part of the financial statements	**1 - 38**		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

For and on behalf of the Board of Directors

Arun Todarwal
Partner
M. No. 32822
UDIN: 20032822AAAAAK3318

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

Place : New Delhi
Date : 5 December 2020

(V N Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Mideast Integrated Steels Limited
Consolidated Statement of Profit and Loss for the year ended 31 March, 2020

	Particulars	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
			₹ in Mn	₹ in Mn
	Revenue from operations (Gross)	21	4,749.82	12,509.92
	Total revenue		**4,749.82**	**12,509.92**
	Expenses			
	Cost of materials consumed	22a	3,556.92	8,502.82
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	22b	132.86	64.33
	GST on sales	21	720.49	1,888.01
	Employee benefit expenses	23	274.07	423.26
	Other expenses	24	552.08	1,370.84
	Total expenses		**5,236.43**	**12,249.25**
	Earnings before interest, tax, depreciation and amortization (EBITDA)		**(486.61)**	**260.67**
	Less:			
	Depreciation and amortisation expenses	3	822.78	823.92
	Finance costs	25	106.24	1,089.22
	Add:			
	Other income (Net)	26	478.95	838.46
	Profit before extraordinary items, exceptional items and Prior Period Items and tax		**(936.68)**	**(814.02)**
	Exceptional/Extraordinary items		-	-
	Profit before tax		**(936.68)**	**(814.02)**
	Tax expenses:			
	Current tax net of MAT		-	-
	Tax expense relating to prior years		60.00	50.00
	Deferred tax		-	2.00
	Profit for the year		**(996.68)**	**(866.02)**
	Other Comprehensive Income:			
	Not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plans		0.49	(0.03)
	Less: Income tax effect		-	-
	Other comprehensive income for the year, net of tax		**0.49**	**(0.03)**
	Total Comprehensive income		**(996.19)**	**(866.05)**
	MISL		(992.20)	(862.59)
	MI		(3.98)	(3.46)
	Earnings per Equity share (₹ 10/- each)			
	Basic & Diluted (₹)		(7.23)	(6.28)
	Notes forming part of the financial statements	**1 - 38**		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

For and on behalf of the Board of Directors

Arun Todarwal
Partner
M No. 32822
UDIN: 20032822AAAAAK3318

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

Place : New Delhi
Date : 5 December 2020

(V N Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Mideast Integrated Steels Limited

Consolidated Cash Flow Statement for the year ended 31 March, 2020

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(936.68)		(814.02)
Adjustments for				
Depreciation and amortisation	822.78		823.92	
Finance costs	39.52		491.18	
Interest income	(5.71)		(8.78)	
Rental income	(42.03)		-	
Liabilities / provisions no longer required written back	(416.11)		(428.86)	
Net unrealised exchange (gain) / loss	50.67		50.02	
		449.12		927.48
Operating profit / (loss) before working capital changes		(487.56)		113.46
Adjustments for (increase) / decrease in operating assets				
Inventories	240.19		475.00	
Trade receivables	146.82		(367.58)	
Short-term loans and advances	(120.36)		(189.07)	
Long-term loans and advances	(42.56)		(97.43)	
Other non-current assets	60.00		46.00	
Other current assets	(20.11)		35.71	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(673.70)		(676.81)	
Other current liabilities	-		540.76	
Other long-term liabilities	(39.51)		(242.62)	
Short-term provisions	(0.08)		1.13	
Long-term provisions	(4.68)		8.59	
		(454.00)		(466.32)
Cash generated from operations		(941.55)		(352.86)
Net income tax (paid) / refunds	(55.97)		(104.07)	
Net cash flow from / (used in) operating activities (A)		**(997.52)**		**(456.93)**
B. Cash flow from investing activities				
Purchase/Sale of fixed assets including capital advance	(4.06)		(232.45)	
Rental receipt	42.03		0.00	
Interest received	5.81		25.48	
(Investment in fixed deposit/Proceeds from fixed deposits	306.56		379.58	
		350.34		172.61
Net cash flow from / (used in) investing activities (B)		**350.34**		**172.61**
C. Cash flow from financing activities				
Proceeds/(Repayment) of borrowings	300.32		751.79	
Finance cost	(33.69)		(405.77)	
		266.63		346.02
Net cash flow from / (used in) financing activities (C)		**266.63**		**346.02**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(380.55)**		**61.70**
Cash and cash equivalents at the beginning of the year		503.55		441.87
Cash and cash equivalents at the end of the year		**123.00**		**503.55**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

For and on behalf of the Board of Directors

Arun Todarwal
Partner
M No. 32822
UDIN: 20032822AAAAAK3318

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

Place : New Delhi
Date : 5 December 2020

(V N Tiwari)
CEO and Director

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Mideast Integrated Steels Ltd.
Notes forming part of the consolidated financial statements

Note 1 Corporate Information

Mideast Integrated Steel Ltd, "The Company" is domiciled in India and was incorporated under the provisions of The Companies Act,1956. The Company is having its Registered Office in New Delhi with iron ore mining at Barbil and manufacturing unit at Jajpur, Odisha. The Company is primarily engaged in extraction of iron ore and production of pig iron. As a part of backward integration, the Company has Sinter production facilities and a gas based power plant.

On 31st March 2015, the Company has acquired 181,029,798 (99.28%) Equity Shares and 30,000,000 of 10%

Cumulative Redemable Preference Shares of M/s. Maithan Ispat Limited and thus became Holding Company.

Note 2 Significant accounting policies

a Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 “the Act”. For all periods upto and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and other relevant provisions of the Act. The date of transition to Ind AS is April 1, 2016. The financial statements have been prepared on a historical cost basis, except where the financial assets and liabilities had to be measured at fair value.

b Use of estimates

The preparation of the financial statements is in conformity with Ind AS which requires the management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the managements' best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

c Inventories

Inventories are valued at the lower of cost on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes.

d Depreciation and amortisation

Depreciation of tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of assets	Years
Plant and Machinery	8 to 35 years

Leasehold Assets are amortised over the duration of the lease.

e Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Other income is accounted on accrual basis. Dividend income is accounted for when the right to receive income is established.

f Property, Plant and Equipment

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

g Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Transition to Ind AS

On transition to Ind AS, the Company has elected that to continue with the carrying value of all intangible assets recognised as at April 1, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

h Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Year end balances of foreign currency monetary item is translated at the year end rates. Exchange differences arising on settlement of foreign currency monetary items of the Company are recognised as income or expense in the Statement of Profit and Loss. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

i Employee benefits

Employee benefits of short term nature are recognised as expense as and when these accrue. Long term employee benefits and post employment benefits, whether funded or otherwise, are recognised as expenses based on actuarial valuation at year end using the projected unit credit method. For discounting purpose, market yield of Government Bonds, at the balance sheet date, is used. Re-measurement gain or losses arising from experience adjustments changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re measurements are not reclassified to profit or loss in subsequent periods.

j Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during the period, any income earned on the temporary investment of those borrowings is deducted from the borrowing cost incurred.

k Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

l Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period.

m Taxes on income

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. 'The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.'Current tax and deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

n Research and development expenses

Expenditure incurred during research and development phase is charged to the Statement of Profit and Loss when no intangible asset arising from such research.

o Impairment of Non Financial assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The Impairment loss recognised in prior accounting period is reversed if there has been an improvement in recoverable amount.

p Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

q Measurement Of Profit Before Depreciation/Amortization, Interest And Tax (PBDIT)

As per Ind AS 1 "Presentation of financial statements", the Company has elected to present PBDIT as a separate line item on the face of the statement of profit and loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expenses.

r Fair Value measurement of financial instruments

The financial assets and liabilities are valued at fair values based on Ind AS 39, 109 and 113.

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 3 Property, plant and equipment

₹ in Mn

Particulars	Gross Block				Depreciation				Net Block	
	As at March 31, 2019	Additions	Deductions	As at March 31, 2020	As at March 31, 2019	During the year	Deductions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land (Free hold)	25.55	-	21.00	4.55	-	-	-	-	25.55	4.55
Land and Site Development	1,014.42	-	-	1,014.42	531.68	142.51	-	674.17	482.84	340.35
Building	2,503.57	-	30.64	2,472.93	776.01	84.99	2.83	858.16	1,727.66	1,614.78
Plant and Machinery	15,900.41	0.48	-	15,901.29	6,701.88	524.97		7,226.83	9,198.72	8,674.46
Furniture and Fixtures	180.37	0.12	0.23	180.57	134.80	14.64	0.00	149.43	45.67	31.15
Office Equipment	39.43	0.09	-	39.52	30.45	3.09	-	33.53	9.07	5.99
Computer	96.66	0.33	-	97.19	92.83	0.66	-	93.48	4.13	3.72
Vehicles	99.81	0.00	21.22	78.60	65.89	6.45	12.46	59.89	33.94	18.81
V Sat	0.82	-	-	0.82	0.82	-	-	0.82	-	-
Railway Siding	683.14	-	-	683.14	285.71	45.46	-	331.16	397.63	351.99
Total	**20,544.18**	**1.02**	**73.08**	**20,473.92**	**8,620.07**	**822.78**	**15.29**	**9,427.46**	**11,925.22**	**11,045.80**
Previous Year	**20,484.17**	**73.18**	**13.22**	**20,544.18**	**7,802.54**	**823.92**	**5.71**	**8,620.67**	**13,260.60**	**11,925.35**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 4 Non current investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Investments (At cost)-Trade and Unquoted		
Investment in equity shares	100.10	100.10
Investments in preference shares	20.00	20.00
Total	**120.10**	**120.10**

Note 5 Security deposits

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Security deposits		
Unsecured, considered good	113.49	116.60
Total	**113.49**	**116.60**

Note 6 Other financial assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Loans and advances to related parties		
Unsecured, considered good	2,408.26	2,401.70
Total	**2,408.26**	**2,401.70**

Note 7 Other non current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Capital advances		
Unsecured, considered good	265.95	265.95
MAT credit entitlement		
Unsecured, considered good	812.32	872.32
Advances to Other Parties	13.54	13.54
Indirect tax recoverable	23.33	23.33
Advance Income Tax of prior years	2.95	4.04
Total	**1,118.09**	**1,179.18**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 8 Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Raw materials	36.32	155.04
Finished goods	1,014.78	1,118.55
Goods-in-transit - FG	-	316.87
Stores and spares	371.91	61.17
By products	441.38	452.95
Total	**1,864.39**	**2,104.58**

Note 9 Trade receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	80.74	204.13
Other Trade receivables		
Unsecured, considered good	332.41	277.79
Total	**413.15**	**481.92**

Note 10 Cash and cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Cash and cash equivalents		
Cash on hand	31.66	40.47
Balances with banks		
In current accounts	87.70	157.52
In deposit accounts	3.63	305.56
In deposit accounts *	98.23	102.06
In earmarked accounts		
- Unclaimed dividend accounts	39.14	37.48
Interest on Bank Deposits	17.13	19.60
Total	**277.50**	**662.69**

* Deposit includes the deposits with 100% margin issued by way of Bank Gurantee to various authorities & parties.

Note 11 Advances

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Loans and advances to Suppliers		
Unsecured, considered good	667.77	723.19
Loans and advances to employees		
Unsecured, considered good	11.15	8.33
Total	**678.91**	**731.52**

Note 12 Other financial assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Prepaid expenses		
Unsecured, considered good	3.05	4.21
Balances with government authorities		
Unsecured, considered good	140.59	146.21
Others Receivables		
Unsecured, considered good	120.95	3.47
Income Tax (Net of Provisions)	158.66	156.11
Interest on Security Deposits	33.20	33.20
Total	**456.44**	**343.20**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 13 Equity share capital

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Authorised		
200,000,000 (P.Y. 200000000) Equity shares of ₹ 10/- each	2,000.00	2,000.00
Issued , Subscribed and Paid up		
137,875,000 (P.Y. 137,875,000) Equity shares of ₹ 10/- each	1,378.75	1,378.75
Total	**1,378.75**	**1,378.75**

A) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	₹ in Mn	No. of shares	₹ in Mn
Equity Shares				
Opening Balance	137,875,000	1,378.75	137,875,000	1,378.75
Changes during the year	-	-	-	-
Closing Balance	**137,875,000**	**1,378.75**	**137,875,000**	**1,378.75**

B) Shareholders holding more than 5% of the ordinary shares in the company

	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	%	No. of shares	%
Equity Shares				
Mideast (India) Limited	32,549,940	23.61	32,549,940	23.61
Mesco Mining Limited	17,000,000	12.33	17,000,000	12.33
Moorgate Industries India Private Limited	13,787,500	10.00	13,787,500	10.00
Mesco Steels Limited	13,146,800	9.54	13,146,800	9.54
Mesco Logistics Limited	12,151,700	8.81	12,151,700	8.81
Mesco Kalinga Steels Limited	10,000,000	7.25	10,000,000	7.25
Total	**98,635,940**	**71.54**	**98,635,940**	**71.54**

C) Right, preferences and restrictions attached to shares
Equity Shares- The company has one class of equity shares having par value of Rs. 10 each, rank pari passu in all respects including voting rights and entitlement to dividend.

Note 14 Other equity

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Capital Reserve		
Opening balance	1,642.61	1,642.61
Add: Changes during the year	-	-
Closing balance	1,642.61	1,642.61
Securities premium account		
Opening balance	677.70	677.70
Add : Premium on shares issued during the year	-	-
Closing balance	677.70	677.70
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(391.07)	471.52
Add: Profit / (Loss) for the year	(992.20)	(862.59)
Closing balance	(1,383.27)	(391.07)
Total	**937.04**	**1,929.24**

Mideast Integrated Steels Limited

Notes forming part of the consolidated financial statements

Note 15 Borrowings

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
	Non-Current	Current	Non-Current	Current
Secured				
Term loans from Banks	5.45	1,580.41	3,222.58	1,424.35
Term loans from Other Parties	3,170.50	18.99	32.79	19.19
	3,175.95	1,599.41	3,255.37	1,443.54
Unsecured				
From Promoters	279.74	-	283.99	-
From Banks	17.59	108.49	24.31	91.83
	297.33	108.49	308.30	91.83
Total	**3,473.28**	**1,707.91**	**3,563.67**	**1,535.38**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 16 Other financial liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Advances from customers	4,997.76	4,957.01
Total	**4,997.76**	**4,957.01**

Note 17 Employee benefit obligations

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	58.62	62.42
Provision for leave encashment	10.90	11.78
Total	**69.52**	**74.20**

Note 18 Trade payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Micro, Small & Medium enterprises	8.18	8.18
Others	3,340.64	3,154.07
Acceptances	-	372.12
Total	**3,348.82**	**3,534.37**

Note 19 Other financial liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Current maturities of long-term debt	1,707.91	1,535.38
Interest accrued and due on borrowings	2.84	1.39
Unclaimed dividends	39.14	37.49
Statutory Dues	1,321.73	1,293.59
Trade / security deposits received	31.08	31.08
Advances from customers	436.67	645.40
Employee related liabilities	41.45	43.76
Total	**3,580.84**	**3,588.10**

Note 20 Employee benefit obligations

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	8.54	8.18
Provision for leave encashment	6.06	5.67
Total	**14.60**	**13.85**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 21 Revenue from operations

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Sale of products	4,749.82	12,509.92
Less: GST on sales	720.49	1,888.01
Total	**4,029.33**	**10,621.91**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Sale of products comprises		
Plant-Manufactured Goods	3,794.97	6,854.74
Plant-Traded Goods	222.47	528.70
Mines	-	-
Total	**4,017.44**	**7,383.45**

Note 22a Cost of materials consumed

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Opening stock	155.04	610.80
Add: Purchases	3,415.07	8,146.63
Less:Coal Consumption in Captive Power Plant	-	173.82
Less: Closing stock	17.54	155.04
Add: Traded goods consumed	-	74.25
Cost of material consumed	**3,556.92**	**8,502.82**

Note 22b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Inventories at the end of the year		
Finished goods	1,014.78	1,118.55
By Products	441.38	452.95
	1,456.16	1,571.50
Inventories at the beginning of the year		
Finished goods	1,118.55	1,344.28
Work-in-progress	-	6.05
Stock-in-transit - FG	-	0.51
By Products	452.95	257.95
	1,571.50	1,608.79
Less: Excise duties on increase / (decrease) of finished goods	17.52	27.04
Net increase / (decrease)	**(132.86)**	**(64.33)**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 23 Employee benefits expenses

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Salaries and wages	261.37	382.31
Contributions to provident and other funds	10.25	21.15
Provision for gratuity	(2.57)	8.92
Provision for leave	0.12	0.82
Staff welfare expenses	4.90	10.06
Total	**274.07**	**423.26**

Note 24 Other expenses

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Consumption of stores and spare parts	82.78	186.15
Royalty cost	18.00	-
Coal Consumprion Cost	-	173.82
Power and fuel	107.83	346.60
Water charges	13.95	23.43
Material handling Charges	8.43	48.90
Rent	20.99	30.36
Repairs and maintenance - Buildings	3.36	5.45
Repairs and maintenance - Machinery	6.43	13.67
Repairs and maintenance - Others	38.88	42.62
Labour charges	33.58	201.75
Insurance	19.18	24.60
Rates and taxes	4.38	25.77
Communication	2.13	4.17
Travelling and conveyance	26.56	47.57
Selling & distribution	10.39	10.39
Donations and contributions	17.13	19.93
Legal and professional	42.80	67.28
Net loss on foreign currency transactions and translation	50.67	58.43
Payments to auditors (Refer Note below)	2.00	1.69
CSR expenses	0.53	1.75
Miscellaneous expenses	42.09	36.50
Total	**552.08**	**1,370.84**

Note

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Payments to the auditors comprises		
For statutory audit	2.00	1.65
For Taxation Matters	-	0.04
Total	**2.00**	**1.69**

Note 25 Finance costs

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Interest expense on		
Borrowings	36.20	446.06
Interest on delayed / deferred payment of statutory dues	0.68	2.16
Other borrowing cost	6.34	81.71
Finance Cost on fair valuation	63.02	559.29
Total	**106.24**	**1,089.22**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 26 Other income

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Interest income	5.71	18.93
Rental Income	40.53	0.56
Liabilities / provisions no longer required written back	392.44	809.40
Others	40.27	9.57
Total	**478.95**	**838.46**

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 27 Additional information to the consolidated financial statements

	Particulars	As at 31 March, 2020	As at 31 March, 2019
		₹ in Mn	₹ in Mn
27.1	**Contingent liabilities (to the extent not provided for)**		
	(a) Claims against the company not acknowledged as debt		
	(i) Central excise, customs and service tax	1,391.91	1,415.68
	(ii) Sales tax and entry tax	297.96	287.20
	(iii) Income Tax	412.65	412.65
	(iv) Electricity Duty #	94.74	94.74
	(v) Others	18.50	18.50
	(vi) Customs duty on import of equipment and spare parts under Export Promotion Capital Goods scheme	164.75	164.75

Maithan Ispat Limited had applied for exemption of electricity duty on power generated from its captive power plant in earlier year as per the provisions of Orissa Industrial Policy Resolution, 2001. However, during the year 2011-12, the Company has received demand for duty for the period from March, 2008 to June, 2011. Against the above demand, the Company has filed writ application in the Hon'ble High Court of Orissa, which is pending disposal. The management is hopeful to receive such exemption, pending which duty liability has not been accounted for in these financial statements. In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the financial statements.

27.2 **Capital Commitments**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	208.60	209.11

27.4 **Details on unhedged foreign currency exposures**

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below

As on 31st March 2020		As on 31st March 2019	
Receivable /(Payable) ₹ in Mn	Receivable /(Payable) USD in Mn	Receivable /(Payable) ₹ in Mn	Receivable /(Payable) USD in Mn
(645.78)	(8.57)	(592.10)	(8.53)

Forward Contracts to buy

As on 31st March 2020		As on 31st March 2019	
₹ in Mn	USD in Mn	₹ in Mn	USD in Mn
-	-	36.71	0.53

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Arrears of fixed Cumulative Redeemable Preference Shares (CRPS)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Arrear Dividend (including tax) on 10% Cumulative Redeemable Preference Shares (CRPS)	281.09	240.64

27.5 **Value of imports calculated on CIF basis**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	₹ in Mn	₹ in Mn
Raw materials	-	39.09
Spare parts	-	2.21

27.6 Expenditure in foreign currency

Interest	3.97	35.65
Travelling	9.21	4.25
Consultancy	-	-

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 27 Additional information to the consolidated financial statements (contd.)

27.7 **Details of consumption of imported and indigenous items**

Particulars	For the year ended 31 March, 2020	
	₹ in Mn	%
Imported		
Raw Materials	-	-
	(718.20)	(25.89)
Spare parts	-	-
	(2.20)	(0.08)
Indigenous		
Raw materials	-	-
	(1962.35)	(70.73)
Spare parts	-	-
	(91.63)	(3.30)
Total	-	-
	(2774.38)	(100.00)

Note: Figures / percentages in brackets relates to the previous year

27.8 **Earnings in foreign exchange**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	₹ in Mn	₹ in Mn
Export of goods calculated on FOB basis	6.70	6.73

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 28 Disclosures under Accounting Standards

28.1 **Post retirement benefit plans**

28.1a Defined contribution plans

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefit. The Company recognised ₹ 10.25 Mn (PY - ₹ 23.70 Mn) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plan by the Company is at rate specified in the rules of the scheme.

28.1b Defined benefit plans

The Company's post retirement defined benefit plans include Gratuity which is unfunded. The following table sets out the provision for gratuity amount recognised in the financial statements.

As in the current financial year 2019-20, the plant for Maithan Ispat Limited was not in operation, the actuarial valuation for the year could not be carried out, however gross provision for Gratuity and Leave liability has been provided for the current financial as per previous year valuation.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
	Gratuity	Gratuity
	₹ in Mn	
Components of employer expense		
Current service cost	5.04	7.06
Interest cost	4.50	4.41
Past service cost	-	-
Actuarial losses/(gains)	(12.10)	(0.04)
Total expense recognised in the Statement of Profit and Loss	**(2.57)**	**11.43**
Actual contribution and benefit payments for year		
Actual benefit payments	1.46	2.71
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	66.56	(62.10)
Present value of defined benefit obligation-Subsidiary		(8.49)
Net asset / (liability) recognised in the Balance Sheet	**66.56**	**(70.59)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	70.59	61.87
Current service cost	5.04	7.06
Interest cost	4.50	4.41
Actuarial (gains) / losses	(12.10)	(0.04)
Past service cost	-	-
Benefits paid	(1.46)	(2.71)
Present value of DBO at the end of the year	**66.56**	**70.59**
Actuarial assumptions		
Discount rate	6.80%	7.50%
Salary escalation	6%	8%
Mortality tables	IALM(2012-14) Ult	IALM(2006-08) Ult

28.2 **Segment information**

The Company's business activity primariliy falls within a single business segment i.e, Iron and Steel business and hence there are no disclosures to be made under Ind AS 108.

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 28 Disclosures under Accounting Standards (contd.)

Related party transactions
Details of related parties

Note	Description of relationship	Names of related parties
28.3a	Subsidiaries	Maithan Ispat Limited
	Key Management Personnel (KMP)	Mrs. Rita Singh (Chairperson cum Managing Director) Mrs. Natasha Singh Sinha (Joint Managing Director)) Mr. S. N. Kambali* Mr. Pawan Kumar (Company Secretary)** Mr. Sandeep Agarwal (Company Secretary) Mr. Sisirkanta Panigrahi***
	Relatives of KMP	Mr. Jitendra Kumar Singh **** Mrs. Shipra Singh Rana
	Company in which KMP / Relatives of KMP can exercise significant influence	a) Mesco Steels Limited b) Mesco Logistics Limited c) Mesco Kalinga Steels Limited d) Mesco Mining Limited e) Mideast India Limited f) Mesco Pharmaceuticals Limited g) Mesco Hotels Limited h) Mesco Aerospace Limited i) Mesco Laboratories Limited j) Mesco Shoes Limited k) Twenty First Century Finance Limited l) Mesco India Limited m) Chhindwara Coal Washing Private Limited n) Forrester Foods Private Limited o) Chhindwara Energy Limited p) Chhindwara Power Limited q) Gondwana Energy Limited r) SAARC Helicopters Private Limited s) Mesco Magic Cement Ltd t) SS & R Films Private Limited u) Kayaana Constuctions Limited v) Mesco Gold Combodia Limited
	Note: Related parties have been identified by the Management. * Mr. S. N. Kambali ceases to be CEO from 21st June 2019. ** Mr. Pawan Kumar ceases to be Company Secretary from 27th July 2019. *** Mr. Sisirkanta Panigrahi ceases to be CEO from 31st December 2019. **** Mr. Jitendra Kumar Singh deceased on 5th September 2019.	

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 28 Disclosures under Accounting Standards (contd.)

₹ in Mn

Note	Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:				
28.3b	**Transaction during the year**	**Subsidiary**	**KMP**	**Relatives of KMP**	**Entities in which KMP / relatives of KMP have significant influence**
	Rentals services				
	Mesco Steels Limited				0.28
					(0.41)
	Mesco Logistics Limited				0.47

					(0.68)
	Mesco Hotels Limited				0.64
					(0.82)
	Mesco Kalinga Steels Limited				0.62
					(0.82)
	Mrs. Rita Singh		1.50		
			(6.00)		
	Mrs. Natasha Singh Sinha		1.50		
			(6.00)		
	Mrs. Shipra Singh Rana			-	
				(0.60)	
	Remuneration $				
	Mr. Jitendra Kumar Singh			-	
				(13.94)	
	Mrs. Rita Singh		-		
			(15.68)		
	Mrs. Natasha Singh Sinha		9.47		
			(18.47)		
	Mrs. Shipra Singh Rana			-	
				(8.37)	
	Ms. Sandhya Sethia		-		
			(0.64)		
	Mr. Pawan Thakur		0.74		
			(0.62)		
	Mr. S. N. Kambali		0.76		
			(4.64)		
	Mr. Sandeep Agarwal		0.59		
			-		
	Mr. Sisirkanta Panigrahi		0.82		
			-		

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 28 Disclosures under Accounting Standards (contd.)

₹ in Mn

	Mesco Kalinga Steels Limited	2,435.29			
	(including duties & taxes)	(1,141.32)			
	Sale of Goods				
	Mesco Kalinga Steels Limited	-			
	(including duties & taxes)	(23.77)			
	Loans and Advances given				
	Mesco Steels Limited				-
					(42.98)
	Mesco Magic Cement Limited				
					(20.31)
	Mesco Mining Limited				61.53
					(59.37)
	Mesco Aerospace Limited				-
					(48.49)
	Mesco Pharmaceuticals Limited				-
					(3.58)
	Loans and Advances repaid back to Company				
	21st Century Finance Limited				1.71
					-
	Forrester Foods Private Limited				20.08
					-
	Mesco Hotels Limited				0.68
					-
	Mesco Pharmaceuticals Limited				3.91
					-
	Mesco Magic Cement Limited				19.64

					-
	Saarc Helicopters Private Limited				0.02
					-
	Kayaana Constructions Limited				3.20
					-
	S S & R Films Private Limited				0.01
					-
	Mesco Aerospace Limited				3.57
					-
	Mesco Steels Limited				8.42
					-
	Mesco Gold Cambodia Limited				37.35
					-
	Sale of Asset				
	Forrester Foods Private Limited				13.20
					-
	Mideast India Limited				33.10
					-
	Loans and Advances repaid back by Company				
	Mesco Shoes Limited				0.76
					-
	Mideast India Limited				35.01
					-
	Mesco Logistocs Limited				25.68
					-
	Mesco Laboratories Limited				0.01
					-
	Balances outstanding at the end of the year				
	Advances and Debtors				
	Mesco Steels Limited				2,126.79
					(2,135.70)
	Mesco Aerospace Limited				99.28
					(106.56)
	S S & R Films Private Limited				-
					(0.01)
	Saarc Helicopters Private Limited				-
					(0.02)
	Mesco Pharmaceuticals Limited				-
					(3.91)
	21st Century Finance Limited				-
					(1.71)
	Forrester Foods Private Limited				-
					(6.88)
	Mesco Mining Limited				182.19
					(120.66)
	Kayaana Constructions Limited				-
					(3.20)
	Mesco Hotels Limited				-
					(0.68)
	Mesco Magic Cement Limited				-
					(19.64)
	Mesco Logistocs Limited				-
					(0.44)
	Mesco Laboratories Limited				-
					(0.01)
	Payables				
	Mesco Kalinga Steels Limited				418.04
					(263.97)
	Mesco Shoes Limited				-
					(0.76)
	Mideast India Limited				-
					(1.91)

$ Remuneration includes perquisites computed as per Income Tax Act.
Note: Figures in bracket relates to the previous year

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 28 Disclosures under Accounting Standards (contd.)

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
28.4	**Earnings per share**		
	Basic & Diluted		
	Net profit / (loss) for the year attributable to the equity shareholders (₹ in Mn)	(996.68)	(866.02)
	Weighted average number of equity shares	137,875,000	137,875,000
	Par value per share (₹)	10	10
	Earnings per share (₹)	(7.23)	(6.28)

	Particulars	As at 31 March, 2020	As at 31 March, 2019
		₹ in Mn	₹ in Mn
28.5 (a)	**Deferred tax (liability) / asset**		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	(757.28)	(757.28)
	Tax effect of items constituting deferred tax liability	(757.28)	(757.28)
	Tax effect of items constituting deferred tax assets		
	Provision for compensated leaves, gratuity and disallowances under Income Tax	17.80	17.80
	Tax effect of items constituting deferred tax assets	17.80	17.80
	Net deferred tax (liability) / asset	**(739.48)**	**(739.48)**

28.5 (b) Net deferred tax Liability (DTL) of Rs 716.60 Millions as at 31st March, 2020 has not been recognised in the accounts of Subsidiary Company. The break up of which is as follows:

Components of Deferred Tax Asset/(Liability)	As on 31 March 2020
Timing Difference in Depreciable Asset	(792.81)
Accumulated Loss and Unabsorbed Depreciation for the year	76.21
Total	**(716.60)**

Note 29

In pursuance to the Judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 (Common Cause v/s Union of India & Others), an amount of ₹ 924.75 crores has been imposed on the Company towards 'Compensation' as determined in the said Judgement which was to be paid by 31st December 2017, eventhough the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018.

The Company has however filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement and which is still pending. Hence provision has not been made for the same in the books of accounts. Further in the said case Company managed to get an Order dated 15th January, 2020 from Hon'ble Supreme Court, according to which Company get permission to sell 23,51,027.83 T of iron ore of different grade and sizes and which has been extracted. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 55.67 cores including GST till October 2020 **under protest** towards Compensation amount.

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note30	There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in Mumbai High Court. The Company is confident to win the award and hence not making any provision in the books.
Note 31	Mauritian Regulator has taken over Banyantree Bank Limited in March 2020. Due to this, the Company could not provide the loan confirmation as on 31 March 2020. Further as bank has been taken over, we were not able to remit the amount towards loan repayment to them.
Note 32	The company intends to convert unsecured loans received from Promoters into Equity in compliance with the provisions of Companies Act 2013 and SEBI (ICDR) Regulations 2009 subject to approval of requisite authority.
Note 33	The balances of Debtors, creditors, loans & advances received & given and deposits received & given and inter company balances are subject to confirmations and reconciliations.
Note 34	During the year ended 31st March, 2020, operation of the company were severely impacted by continued weak steel industry scenario and also non availability of working capital for running the operations at full capacity. The company has incurred loss after taxes of Rs, 399.83 Millions (Rs. 1,215.34 Millions) and accumulated loss as on 31st March, 2020 is Rs. 8,904.57 million (Rs. 8,504.74 Millions) and its current liabilities exceeded its current assets as at the balance sheet date. As a part of its financial revival process, Mideast Integrated Steels Limited (MISL), the holding Company, is committed to provide suitable financial support to the company for the near future and has also contributed capital amounting to Rs. 1203.00 Millions in the form of equity up to the FY 2016-17 as per terms agreed with the lenders. Again, the company has received Rs.225.00 million in the financial year 2017-18 and Rs. 36.00 million during the FY 2019-20 from Mideast Integrated Steels Limited (MISL). The Company is also confident of improvement in the industry scenario. With fresh capital infused in the company on account of takeover by Mideast Steels Limited, the company has started with the expansion work on the project front. In F.Y 2020-21, the company expects to start its Heavy Section Mill which will produce heavy sections and structural steel having production capacity of 3,79,000 tonne per annum. The company also plans to install a Rebar Mill which will have a production capacity 1,66,000 tonnes per annum. Considering the above, these financial statements have been drawn up as per the Going Concern assumption, which is appropriate in the opinion of the management.
Note 35	During the year ended March 31, 2016 and March 31,2015, the Subsidiary Company has supplied surplus generation of power from its captive power plant to GRIDCO Limited. The said supply has not been given acceptance by GRIDCO. Therefore, in accordance with IND AS on Revenue Recognition, the Company has postponed the recognition of revenue amounting to Rs 6.60 Million and Rs. 3.73 millions approx for respective years considering significant uncertainty in its ultimate collection. The same would be recognised in the period in which it is reasonably certain that the ultimate collection will be made.
Note 36	The 0.1 % Cumulative redeemable preference shares of Rs 355 crores and the 10% Cumulative redeemable preference shares of Rs 30 crores, as on 31st March 2020, have been valued based on a third party valuation report based on the present values of the liability using the discounted cash flows taking the discounting rate as 12%. This valuation report has been provided to the auditors and they have relied on this report. The interest / dividend due on the above CRPS have been accounted for in the books as on 31st March 2020.

Mideast Integrated Steels Limited
Notes forming part of the consolidated financial statements

Note 37	The Management has reviewed all the assets and liabilities of the Company. The assets and liabilities of the Company has been valued at receivable and payable value respectively.
Note 38	COVID 19 and its global impact has put limitaions on the physical movement and functioning of the people in the Company. The Company has tried to collate confirmations and provide the same to the extent possible.

For Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No. W100291

Arun Todarwal
Partner
M. No. 32822
UDIN: 20032822AAAAAK3318

Place : New Delhi
Date : 5 December 2020

(V N Tiwari)
CEO and Director

For and on behalf of the Board of Directors

Natasha Sinha
Joint MD
DIN 00812380

Rita Singh
CMD
DIN 00082263

Manas Pahi
CFO

Priyanka Chugh
Company Secretary

Notes