

**MIDEAST INTEGRATED  
STEELS LIMITED**

**ANNUAL REPORT 2020-21**

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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)

#### **Director and CEO**

Mr. Vishwambhar Nath Tiwari  
(DIN: 08719133)

#### ***Independent Directors:***

Mr. Sanjiv Batra (DIN:00602669)  
Mr. Hawa Singh Chahar (DIN: 01691383)  
Mr. Upendra Mani Tripathi (DIN: 09315772) <sup>1</sup>  
Mr. Prashant Kumar Mishra (DIN: 03196452) <sup>2</sup>

<sup>1</sup> Appointed on 23.10.2021

<sup>2</sup> Appointed on 23.11.2021

#### **Chief Financial Officer**

Mr. Manas Pahi  
[manaspahi@mescosteel.com](mailto:manaspahi@mescosteel.com)

#### **Company Secretary cum Compliance Officer**

Ms. Priyanka Chugh  
[priyankachug@mescosteel.com](mailto: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](mailto: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**

RKS & Associates  
Company Secretaries  
1218/12<sup>th</sup> Floor,  
Hemkunt Chambers,  
Nehru Place, New Delhi 110024

#### **Company Information**

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

#### **Statutory Auditors**

M/s Arun Tadarwal & Associates LLP,  
Chartered Accountants  
104, Maker Bhavan No. 3, 1<sup>st</sup> 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

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### NOTICE

**Notice** is hereby given that the Twenty Eight Annual General Meeting of the Members of the Company will be held on **Thursday, 30<sup>th</sup> December, 2021 at 11:00 A. M. 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, 2021, together with reports of the Directors and the Auditors thereon and the Consolidated Financial Statements for the year ended March 31, 2021 along with the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vishwambhar Nath Tiwari (DIN 08719133), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS

3. To appoint Mr. Upendra Mani Tripathi (DIN: 0009315772) as a Director and a Non-Executive (Independent) Director and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED** that Mr. Upendra Mani Tripathi (DIN: 0009315772) who was appointed by the Board of Directors as an Additional Director in the capacity Independent Director of the Company with effect from October 23, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") but who is eligible for appointment 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 of the Company, be and is hereby appointed as an Independent Director of the Company."

**"RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the 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, the appointment of Mr. Upendra Mani Tripathi (DIN: 0009315772), 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 who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of one year commencing October 23, 2021 to October 22, 2022, be and is hereby approved."

4. To appoint Mr. Prasant Kumar Misra (DIN: 03196452) as a Director and a Non-Executive (Independent) Director and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

**“RESOLVED** that Prasant Kumar Misra (DIN: 03196452) who was appointed by the Board of Directors as an Additional Director in the capacity Independent Director of the Company with effect from November 23, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment 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 of the Company, be and is hereby appointed as Director of the Company.”

**“RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the 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, the appointment of Mr. Prasant Kumar Misra (DIN: 03196452), 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 who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of three years commencing November 23, 2021 to November 22, 2024, be and is hereby approved.”

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, 2022.

**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, the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 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.”

**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: 06.12.2021

## NOTES:

1. 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 6 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.
2. 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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting 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.
3. 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.
4. 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 served 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 served basis.
5. 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.
6. 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 as well as venue voting on the date of the AGM will be provided by NSDL.
7. 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](http://www.mescosteel.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE at [www.bseindia.com](http://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](http://www.evoting.nsdl.com).
8. AGM has been 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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
9. **The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> December, 2021 to 30<sup>th</sup> December, 2021 (both days inclusive).**
10. 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 and 2012-13 have been transferred to IEPF. This is to be further informed that the dividend amount declared for 2013-14 is also liable to 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 and 2020-21.

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](http://www.mescosteel.com).

11. 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.
12. 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.
13. **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.**
14. 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](mailto:admin@skylinerta.com)/ [info@skylinerta.com](mailto: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](mailto:evoting@nsdl.co.in).
15. 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.
16. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for the financial year 2020-21 will also be available on the Company's website, [www.mescosteel.com](http://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](mailto:priyankachug@mescosteel.com).
17. 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](mailto: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.
18. 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.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Monday, 27th December, 2021, at 09:00 AM and ends on Wednesday, 29<sup>th</sup> December, 2021 at 05:00 PM. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 24.12.2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 24.12.2021.**

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDLand you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDLand you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 10px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43</p>

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
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.
4. 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***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use 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.
6. 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](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to triptishakyacs2017@gmail.com with a copy marked to evoting@nsdl.co.in.
2. 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.
3. 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 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company’s email address www.mescosteel.com.

### **19. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to www.mescosteel.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to www.mescosteel.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF 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 EGM/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 EGM/AGM shall be the same person mentioned for Remote e-voting.

**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 by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [priyankachug@mescosteel.com](mailto:priyankachug@mescosteel.com). The same will be replied by the company suitably.

**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](mailto:priyankachug@mescosteel.com) to enable smooth conduct of proceedings at the AGM. Questions/Queries received by the Company on or before Friday, 24<sup>th</sup> December, 2021 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](mailto:priyankachug@mescosteel.com) on or before Friday, 24<sup>th</sup> December, 2021. 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.
- 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](http://www.mescosteel.com) and on the website of NSDL, i.e., [www.evoting.nsdl.com](http://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., 30<sup>th</sup>December, 2021.

20. 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., 30<sup>th</sup>December, 2021. Members seeking to inspect such documents can send an email to [priyankachug@mescosteel.com](mailto:priyankachug@mescosteel.com).

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

22. 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	Mr.Upendra Mani Tripathi	Mr. Prasant Kumar Misra
DIN	09315772	03196452
Age	37 Years	
Date of Birth	15.12.1984	23.11.2021
Qualifications	Company Secretary,	M.A. [English] Delhi University, LLB
Expertise in specific functional areas	Company Secretary having 7 years of experience in legal and secretarial work	He is having rich experience of 37 years serving various Government Departments on different positions. He served as Managing Director in HaridaspurParadip Railway Company Limited, Public Limited Company (SPV) for ten years.
Directorships in other Companies	Mesco Kalinga Steels Limited	-
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	-
Number of shares held in the Company	-	-
Relationship with any Director(s) of the	-	-
Terms & Conditions of Appointment	Re appointment subject to not to retire by rotation	Re appointment subject to not to retire by rotation
Remuneration Details	-	-

No. of Board meetings attended out of 3 meetings held during the year	-	-
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<b>Particulars</b>	<b>Mr. Vishwambhar Nath Tiwari</b>
DIN	8719133
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 3 meetings held during the year	3

**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: 06.12.2021

## **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 6 of the accompanying notice dated 06<sup>th</sup> December, 2021.

#### **ITEM NO. 3:**

The Board of Directors appointed Mr. Upendra Mani Tripathi (DIN: 0009315772) as Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of one year i.e. from October 23, 2021 to October 22, 2022, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, Mr. Tripathi shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director.

The Company has received declaration from Mr. Upendra Mani Tripathi to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (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, Mr. Tripathi fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and he 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.

The Board recommends the Ordinary Resolution at Item No. 4 of this Notice for approval of the Members. Except Mr. Upendra Mani Tripathi, 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. 3 of the Notice.

#### **ItemNo.4**

The Board of Directors appointed Mr. Prasant Kumar Misra (DIN: 03196452) as Additional Director of the Company and also as Independent Directors, not liable to retire by rotation, for a term of three years i.e. from November 23, 2021 to November 22, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, Mr. Misra shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Director.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director.

The Company has received declaration from Mr. Prasant Kumar Misra to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (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, Mr. Misra fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and he 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.

The Board recommends the Ordinary Resolution at Item No. 4 of this Notice for approval of the Members. Except Mr. Prasant Kumar Misra, 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 in 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 March31, 2022 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. Inters 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 March31, 2022 as specified here in 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 anyway concerned or interested in the said Resolution. The Board of Directors recommends the Ordinary Resolution setout at ItemNo.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:

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

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Name of the Director/KMP who is related and nature of their relationship</b>
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.	<b>Sale/Purchase Price:</b>	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.	<b>Payment Schedule:</b>	To be determined by both the parties by mutual consent.		
3.	<b>Nature, material terms and particulars of the arrangement:</b>	All the Contracts/transactions are at best negotiated terms/market price.		
4.	<b>Duration of the Contract:</b>	The agreement is valid for a period of 1 year.		
5.	<b>Any other information relevant or important for the members to take a decision on proposed transaction:</b>	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)
<b>Mesco Hotels Limited</b>	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

<b>Mesco Kalinga Steels Limited</b>	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
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**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:

<b>Name of the related party</b>	<b>Particulars</b>	<b>Maximum Amount per annum(in Crore)</b>
<b>Mesco Logistics Limited</b>	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
<b>Mesco Steels Limited</b>	Existing agreement for hiring MercedesE-280For 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

**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: 06.12.2021

## DIRECTORS REPORT

To

**The Members  
Mideast Integrated Steels Limited**

Your Directors are pleased to present 28<sup>th</sup> Annual Report and the Statements of Accounts for the financial year ended on March 31, 2021.

### 1. FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2021 along with previous year's figures is given hereunder:

(Rs. In Mn)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Gross Sales	2028.11	4737.46	2028.11	4749.82
<b>Profit/(Loss) Before Finance Cost &amp; Depreciation</b>	<b>(474.38)</b>	<b>(414.19)</b>	<b>(477.52)</b>	<b>(486.61)</b>
Interest/ Finance Cost	10.20	17.43	159.14	106.25
Depreciation	415.95	561.87	675.64	822.78
Other Income	69.37	455.78	69.37	478.94
<b>Profit/(Loss) before Tax</b>	<b>(831.16)</b>	<b>(537.69)</b>	<b>(1242.93)</b>	<b>(936.68)</b>
Tax Expense	20.00	60.00	20.00	60.00
<b>Profit/(Loss) After Tax</b>	<b>(851.16)</b>	<b>(597.69)</b>	<b>(1262.93)</b>	<b>(996.68)</b>
Appropriations / Adjustments	-	-	-	-
Balance of profit / (loss) brought forward	2303.30	2899.67	(1383.27)	(391.07)
<b>Profit for the year</b>	<b>(851.16)</b>	<b>(597.69)</b>	<b>(1255.71)</b>	<b>(992.20)</b>
Re-measurement gains/(losses) on defined benefit plans	2.28	1.32	2.18	0.49
Proposed Final dividend	-	-	-	-
<b>Profit carried to the Balance sheet</b>	<b>1454.43</b>	<b>2303.30</b>	<b>(2638.98)</b>	<b>(1383.27)</b>

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. 1922.21 Million as against Rs. 4017.44 Million in the previous financial year. The Company's Profit/(Loss) before Depreciation Interest and Tax ("PBDIT") is Rs. (474.38) Million in the financial year ended 31st March, 2021 as opposed to PBDIT of Rs (414.19) Million in the immediate previous financial year.

Taking into account depreciation and interest cost, profit/ (Loss) before tax (PBT) stood at Rs. (831.16) Million as against Rs. (537.69) Million in the previous financial year and total comprehensive income for the year was Rs. (848.88) Million as against Rs. (596.37) Million in the previous financial year.

### **Consolidated Operations:**

During the year under review, the Company's net revenue from operations was Rs. 1922.21 Million as against Rs. 4029.33 Million in the previous financial year. Further, in the financial year ended 31st March, 2021, profit before tax (PBT) was Rs. (1242.93) Million as against Rs. (936.68) Million in the previous financial year and profit after tax (PAT) was Rs. (1262.93) Million against Rs. (996.68) 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 2021, Gross Sales decreased by around 52.15% to Rs. 1922.21 Million from Rs. 4017.74 Million in the previous financial year ended 2020. The plant of the company got shut down in December 2019 and thus there were no manufacturing activities going on which led to decrease in sales of the Company. The Company got order from Supreme Court to sell the lying stocks only. This is mainly reason for the negative impact on performance of the company. Company has incurred a loss of Rs. 848.88 Million as compared to the loss of Rs. 597.69 Million in the previous financial year 2020.

### **4. SUBSIDIARY COMPANY**

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 having billet and sponge iron plant is under shut down since February 2019 and no major business activities have been done during the audit period. There was no revenue of the Company during the year. Thus there was decrease of Rs 17.49 Million since previous financial year 2019-20. The loss for the financial year 2020-21 was Rs. 411.78 Million as against Rs 399.00 Million in previous financial year 2019-20.

Maithan Ispat Limited had made a One Time Settlement with the Consortium Banks to settle the loans through one time settlement finalized with the banks for an amount of Rs. 175.00 crores. Further the Company is also taking steps for resuming of the operations of the Company. Keeping these things into consideration the Board is hopeful to start functioning of the Company soon.

### **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, 2021, 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, 2021, your directors have not recommended any dividend for the financial year ended March 31, 2021.

## **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 2021 is in the prescribed Form No. MGT-9. The same is available on [www.mescosteel.com/admin/investor/2019-20.pdf](http://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 2020-21, the Board of Directors of the Company met 3 times i.e. on September 11, 2020, December 05, 2020 and February 17, 2021. Further, a separate Meeting of the Independent Directors of the Company was also held on February 17, 2021.

## **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 2 Independent Directors as Members. One meeting was held during the financial year under review on September 11, 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 2020-21. 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, 2021 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 6<sup>th</sup> December, 2021, 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 2021-2022 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.

## **c. Secretarial Auditor**

M/s Tripti Shakya & Company was appointed as Secretarial Auditor for the year 2020-21. 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, 2021. 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 for the financial year 2021-22, M/s R.K.S & Associate is appointed as Secretarial Auditor.

### **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 since the plant of the company is shut down thus 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 for delay in filing of Financial Results, Non Compliance of Reg 17 for non composition of Board of Directors and non composition of Nomination and Remuneration Committee, Reg 17(2) for Non Compliance for number of meetings of Board of Director and, Non Compliance with Regulation 13 (3) for delay in submission of Shareholding pattern.*

**Management's Reply:**

*Due to COVID 19 situation and lockdown scenario, Company found it difficult to finalize financial results on time. So there was delay in filing of Financial Results but the Company filed it later on. The Management assured that they will try to comply with the regulation within time in future. Since the resolution for reappointment of Mr. G S Jawandha was not confirmed by the shareholders in the meeting held on 30.12.2020, thus there was non compliance in the composition of Board of Directors and simultaneously Nomination and Remuneration committee. The Company was in the process to appoint independent director.*

**Observation No. 4**

*The Company has made SEBI (Listing Obligations and Disclosure) Regulations 2015, as amended from time to time but have been delay in some compliances in June 2020 and March 2020 quarter.*

**Management's Reply:**

*The Company has made compliances with SEBI (Listing Obligations and Disclosure) Regulations 2015 but due to non receipt of few reports, company delayed in filing of some reports which was filed later on with some delay.*

**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 2021-22.

**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](http://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 27th Annual General Meeting held on December 30, 2020, 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](http://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:

- 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. 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 had made a One Time Settlement with the Consortium Banks to settle the loans through one time settlement finalized with the banks for an amount of Rs. 175.00 crores. Further the Company is also taking steps for resuming of the operations of the Company. Keeping these things into consideration the Board is hopeful to start functioning of the Company soon.
- 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 31.03.2021 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.

### **Point wise Replies to Auditor's Qualifications**

1. The company is in talks with the parties for recovery of amounts due from them. The company has recovered approximately Rs.20 lakhs during the year. Further the Company is going to start the plant soon and the amounts will be recovered either in cash and / or goods. 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.
2. 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. 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 purpose, advances have been given during the year by the Company. The same is duly approved by the Board and Audit Committee. Maithan Ispat Limited had made a One Time Settlement with the Consortium Banks to settle the loans through one time settlement finalized with the banks for an amount of Rs. 175.00 crores. Further the Company is also taking steps for resuming of the operations of the Company. Keeping these things into consideration the Board is hopeful to start functioning of the Company soon.
3. MISL had already taken a blanket approval at the AGM in the March 2020 for Rs. 500 crores and these advances are covered within these amounts. MISL is taking necessary steps to recover the amount and / or material for which we have paid advances to these parties. The management is very hopeful of recovering these advance either in money and / or material and do not believe these advances to be impaired. MISL estimates that the carrying amounts of these advances are not less than the recoverable amounts.
4. Management is undertaking continuous efforts to restart very soon the plant of its subsidiary, Maithan Ispat Limited, and are hopeful of achieving this objective in the near future. Moreover, a One Time Settlement ("OTS") has been done with the consortium of Banks of the subsidiary, Maithan Ispat Limited. The management does not estimate that the carrying amounts of its investment in its subsidiary, Maithan Ispat Limited, is less than its recoverable amounts.
5. 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, even though 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. 211 cores including GST till March 2021 under protest towards Compensation amount.
6. We have been informed that, as per the policies of the concerned Banks, Bank will provide statement and balance confirmation either by hand or on registered email address. It will not be possible to

change the registered email address to provide direct confirmation to the auditors. We have forwarded all the confirmation as and when received from the Banks by us to you.

7. Company is in process of ascertaining the correct value of assets in the market and accordingly carrying out the deferred tax.
8. The plant of MISL is not in operation since December 2019, compounded further by the impact of Covid 19, Company did not have the funds to complete the work on these capital assets and put them to use. Once the plant starts, Company we will be able to finish the work so required to be done on these capital work in progress, put these assets to use and capitalize the same.
9. Company is in process to receive the balance confirmation from Debtors, Creditors and loans and advance as given and / or received and/or for the deposits received and given, as soon as same are received by the company, the details will be shared with the Auditors. Further management is of the view that on confirmation/reconciliation of the balances, there will not be any material impact on the state of affairs of the Company. Only those confirmations are not available where there is dispute between Companies and parties involved in the dispute.
10. Management is in talks with the parties to settle the balances of non-moving old Debtors & Creditors and is much confident of getting realization. Hence, no litigation has been initiated.

## **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, Mr. Vishwambhar Nath Tiwari, Director & CEO retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

During the year under review Mr. Upendra Mani Tripathi is appointed as a Non Executive Additional Director of the Company w.e.f 23.10.2021.

During the year under review Mr. Prasant Kumar Misra was appointed as a Non Executive Additional Director of the Company w.e.f 23.11.2021.

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

Mr. Vishwambhar Nath Tiwari was appointed as CEO of the Company w.e.f 11.09.2020.

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

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

Mr. Gurjeet Singh Jawawadha was to be reappointed in the AGM held on 30.12.2020. The resolution for re-appointment of Mr. Gurjeet Singh Jawandha as an Independent Director was not approved by the shareholders in the Annual General Meeting of the Company Therefore Mr. Gurjeet Singh Jawandha is no more associated with the Company in the capacity of Independent Director w.e.f. 30.12.2020..

## **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. 21 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, 2021, 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 set out 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](http://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: 06.12.2021

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON March 31, 2021**  
**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, 2021, 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, 2021 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under except pending filing of following forms with ROC;
  - a) *MSME-1\_30.09.2021*
  - 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 2012-13*
  - d) *DPT-3 for the year 31.03.2021.*
  - e) *BEN-2 for the year 31.03.2021.*
  - f) *CRA -4 for the year ended 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 letters from BSE in respect of Non Compliance of Reg. 33 for delay in filing of Financial Results, Non Compliance of Reg 17 for non composition of Board of Directors and non composition of Nomination and Remuneration Committee, Reg 17(2) for Non Compliance for number of meetings of Board of Director and, Non Compliance with Regulation 13 (3) for delay in submission of Shareholding pattern.*
4. *The Company has made SECI (Listing Obligations and Disclosure) Regulation 2015, as amended from time to time but have been delay in some compliances in June 2020 and March 2020 quarter.*

I further report that the Board of Directors of the Company is not duly constituted. There should be 3 independent Directors on the Board of the Company whereas it has only 2 independent directors as on 31.03.2021.

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 (Common Cause v/s Union of India & Others), 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 Judgment. However, it got dismissed on 03.09.2019.. 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.

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

**Tripti Shakya**  
**M. NO.: 50667**  
**CP. No. 23251**  
**UDIN: A050667C000539265**

**Place: New Delhi**  
**Date: 29.06.2021**

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: A050667C000539265**  
**Place: New Delhi**  
**Date: 29.06.2021**

**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**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-2020</b>
<b>Reporting currency</b>	<b>In Mn</b>	<b>In Mn</b>
<b>Reporting Period</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Share capital	3,251.38	3,251.38
Reserves & surplus	(4726.35)	(4,314.48)
Total assets	6,709.67	7,002.95
Total Liabilities	6,709.67	7,002.95
Investments	0.03	0.03
Gross Turnover	-	17.49
Profit/ (Loss) Before Tax	(411.78)	(399.00)
Tax Provision	-	-
Profit/(Loss) After Tax	(411.78)	(399.00)
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**

## 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, 2021 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:** December 30, 2020 till December 30, 2021.

**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- December 30, 2020

**f. Amount Paid as advance as outstanding as on 31.03.2021, if any:** Rs. 166.34 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:** December 30, 2020 till December 30, 2021.

**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. 200 Crores.

**e. Date(s) of approval by the Board and shareholders, if any:** Shareholders Approval- December 30, 2020

**f. Amount Paid as advance as outstanding as on 31.03.2021, if any:** Rs. 2094.84 Million (No amount given as advance during year)



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

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A) Conservation of Energy: NIL

B) Technology Absorption:

➤ Nil.

**B) Foreign Exchange Earnings and Outgo**

		<b>Rs. in Mn</b>
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Foreign Exchange Earned	-	6.70
Foreign Exchange Used	-	13.17

**Annual Report on Corporate Social  
Responsibility (CSR)**

**Pursuant to Rules 8 & 9 of (Companies Corporate Social Responsibility Policy) Rules, 2014 for the Financial Year 2020-21**

**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](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: Loss of Rs.- 134.46 Mn**

**4. Prescribed CSR expenditure (2% of the amount as in item 3 above): NIL**

**5. Details of CSR spent for the financial year:**

- a) Total amount to be spent for the Financial Year: **NIL**
- b) Total amount spent for the Financial Year: **NIL**
- c) Amount unspent, if any: **NIL**

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

**(Rs. inMn)**

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
NIL					
<b>TOTAL</b>	<b>NIL</b>				

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.

**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	-
Mr. V.N. Tiwari Appointed w.e.f 06.03.2020	5:1

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
<b>Directors</b>	-
<b>KMP</b>	
Ms. Natasha Sinha-CFO Resigned 11.09.2020	-
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	-
Mr. Manas Pahi Chief Financial Officer Appointed on 11.09.2020	-
Ms. Priyanka Chugh, Company Secretary Appointed on 11.09.2020	-

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: 549
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	Manas Ranjan Pahi	GM- Finance	243915	Managerial	CA	10.06.2015	01.07.74		Gerdaul Steel India Limited
2	Aarti Karandikar	AGM - F&A	150550	Managerial	CA-Inter	10.07.2013	08.10.1978	42	Accounts Manager, Ushdev International Limited
3	Sipranjali Swain	DGM- HR & Admin	147471	Managerial	MBA-HR, Exe MBA@IIM Kolkata, PHD(HRM) Extramural	25.06.2012	15.07.1980	41	Sr. Manager - HR & Admin, PS TECHCOM INDIA LIMITED
4	Aditya Nath Mishra	AGM - Blast Furnace	145440	Managerial	B.Sc(Engineering)	30.01.2019	17.11.1965	55	AGM - Blast Furnace, JSW Steels 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	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.

8	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)
9	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.
10	Rashmi Ranjan Mangaraj	Mining Manganer	80000	Managerial	B Tech (Mining)  1 <sup>st</sup> Class Mines Manager Competency Certificate	06.06.2020	03.06.1984	37	Roida I Mines, Barbil

# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

## **INDUSTRY STRUCTURE AND DEVELOPMENT**

The onset of the Financial year 2020-21 started with the Outbreak of COVID 19 Pandemic which brought most economic activities to a near halt in the first quarter. The result was lockdowns, closure of international borders, panic among the people. Due to this the trade was disrupted which affected trade as well as global supply chains. The focus of the governments went towards health infrastructure and ancillary priorities. Economies all over the world are still navigating through the impacts of Covid-19 pandemic which had hit the world during late 2019 and peaked in 2020. The countries faced unimaginable losses in terms of human lives, livelihoods and the business activities across the Globe got a jolt, leading to consequent economic slowdown. Amidst this situation of uncertainties and dissimilar pace of recoveries, the complete assessment of deceleration of economies is yet to be fully ascertained

The Financial Year 2020-21 was completely exposed to the severity of the pandemic and the businesses operated under extraordinary circumstances. Though the signs of economy recovery have started to show up on the back of large scale vaccination programs and various stimulus packages and supportive policies but the road to full bounce back is an uphill task whose prospects still requires time to get steady. The recoveries in emerging markets are yet to assume stability and anticipated subsequent waves of the virus remain a threat to the recovery path. The global trade and business chains have been severely impacted with globally disrupted supply chains.

The Global Economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022 as per the April 2021 World Economic Outlook update. There was an estimated contraction of -3.3% in 2020. The Advanced Economies shrunk by an estimated 4.7% and Emerging Market and Developing Economies were estimated to have declined by about 2.2% in 2020.

Covid-19 had unprecedented receding effects on the growth rate of countries world-wide and the first half of 2020 jolted all major economies. The second half of the Financial Year saw GDP recovering stronger than expected but the performance remains significantly below pre-pandemic trends in most countries. The Pandemic has left several economies facing severe setback and challenges as they continue to struggle with the mutating virus, vaccination issues, low commodity prices and fall in exports. Expected recoveries are based on expectations of a vaccine-powered strengthening of activity during the year and additional policy support in a few large economies.

India has undertaken a massive vaccination drive. With Government's prime focus to revive the economy at the earliest through various stimulus packages, revival of infrastructural activities and restarting of the economic activities in a phased manner, the prospects of regaining the growth momentum is palpable. The GDP growth for the Financial Year 2020-21 has been estimated at (-)7.3% by the Ministry of Statistics & Programmed Implementation as per their latest estimates.

Though the Indian Economy has contracted due to the Covid-19 pandemic, the contraction rate has reduced from 22.4% during Q1 to 7.3% during Q2 and a growth of 1% was recorded in Q3 and 3.7% in Q4. It is expected that though urban demand has been dented by the second wave, but adoption of new Covid-compatible occupational models by businesses for an appropriate working environment may cushion the hit to economic activity, especially in manufacturing and services sectors that are not contact intensive.

In the short range outlook released by World Steel Association in April, 2021 for 2021 and 2022, it forecast that steel demand will grow by 5.8% in 2021 to reach 1,864 Million Tonnes (MT), after declining by 0.2% in 2020. In 2022, steel demand will see further growth of 2.7% to reach 1,924.6 MT. The forecast also added that the second or third waves of infections will stabilise in the second quarter and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries. Despite the devastating impacts of Covid-19 pandemic, the steel industry was fortunate and passed the year 2020 with limited contraction as opposed to various other industries. Asia accounted for 1374.9 MT of Crude Steel production in 2020, an increase of 1.5% compared to 2019. China continued to dominate World Crude Steel production with an output of 1064.8 MT, with a growth of 7% over 2019. China's share in the world steel production has been constantly increasing.

Riding on a positive consumption and demand trend in the steel industry, the coming times looks on the green side. WSA in its forecast sees a 2.7% growth in steel demand reaching to 1,924.6 MT in 2022. At the same time, it is also believed that For the future, structural changes in a post-pandemic world will bring about shifts in steel demand shape. The steel industry will see exciting opportunities from rapid developments through digitization and automation, infrastructure initiatives, reorganization of urban centers, and energy transformation.

The growth in consumption in India has been forecasted at 19.8% in 2021 (106.1 MT) and 5.9% in 2022 (112.3 MT).

#### **PERFORMANCE HIGHLIGHTS - INDIAN STEEL INDUSTRY**

As per Joint Plant Committee (JPC), production of Crude Steel during fiscal 2020-21 stood at 102.4 million tonne (MT), a decline of 6.1% over 2019-20.

Finished Steel production also registered a negative growth of 7.8% to stand at 94.7 MT during 2020-21, compared to previous year. While Exports of total Finished Steel increased substantially by 29.1% to 10.8 MT during 2020-21 over previous year, imports declined by 29.8% to 4.8 MT.

India's consumption of total finished steel at 93.4 MT saw a negative growth of 6.7% in 2020-21 over same period last year. Demand for Finished Steel in India is expected to remain around 106.1 MT in 2021, as projected by World Steel Association

#### **OPPORTUNITY AND THREATS**

With an accelerated push from the policies proposed by the Government regarding steel intensive segments such as infrastructure, capital goods and construction, the outlook for the steel industry remains positive. Expected increase in Government expenditure in capital intensive projects. A sharp rebound in growth is expected after the Covid-19 pandemic is over and steel demand is expected to remain buoyant.



The newly commissioned mills are oriented towards products required to cater to the infrastructure development.

High export potential for markets of Middle East and South East Asia. Potential for improving product quality and reducing cost through operational efficiency and utilization of the new and modernized units.

Increased competition from domestic and international steel companies located in India. Volatility in coal prices and exchange rate.

### **OUTLOOK**

Riding on a positive consumption and demand trend in the steel industry, the coming times looks on the green side. WSA in its forecast sees a 2.7% growth in steel demand reaching to 1,924.6 MT in 2022. At the same time, it is also believed that for the future, structural changes in a post-pandemic world will bring about shifts in steel demand shape. The steel industry will see exciting opportunities from rapid developments through digitization and automation, infrastructure initiatives, reorganization of urban centres, and energy transformation.

The growth in consumption in India has been forecasted at 19.8% in 2021 (106.1 MT) and 5.9% in 2022 (112.3 MT).

With the wide spread of Covid -19 pandemic during the Financial Year 2020-21, Authorities and Governments adopted several forms of physical distancing as a measure to contain the dissemination of the coronavirus, with Lockdown being one of these measures. The lockdown has resulted in the supply chain being broken, demand for industrial goods falling, and the decline of industrial production, with steel sector no exception to it, leading to decline in steel consumption in India. The continuous and accelerating rollout of Covid-19 vaccines in the advanced economies set the stage for rapid recovery in the current financial year and rolling out into the 2022. The Global Economy is expected to recoup the pre-pandemic level of production in 2022. However, the emerging and developing economies are expected to achieve the prepandemic level by the financial year 2022-23. With regard to the steel industry, demand is expected to be strong around the Globe due to rapid developments through digitisation& automation, infrastructure initiatives, fiscal stimulus, etc. The outlook for 2021 is expected to be positive because Indian steel companies have started boosting steel production capacity. In addition to the huge scope for growth due to India's comparatively low per capita steel consumption, the pandemic has accelerated some key trends, which will bring about shifts in steel demand on account of Government of India's focus on strengthening domestic manufacturing under 'Atmanirbhar Bharat Abhiyan', introduction of 'Production Linked Incentive Scheme' to encourage the manufacturing in various industries, investment in infrastructure projects, thriving automobile and railways sector, etc. Such measures are expected to take the steel demand cross the pre-pandemic level.

### **RISK AND CONCERNS**

Risk is integral part of any Industry and Iron Industry is no exception. The steel industry internally, concerns on delays in the ramping up of production, due to initial stabilization of the new mills. Further, higher capital related charges on account of incremental Depreciation and Interest on new facilities have also increased expenses.

The Minerals (Development and Regulation) Amendment Act (The Act) which came into force on 28 March, 2021 provides that the period of mining leases of Government Companies (other than leases granted through auction) may be extended on payment of additional amount prescribed in the Fifth Schedule of MMDR Act.

Further, the Act also provides that captive mines (other than atomic minerals) may sell up to 50% of their annual mineral production in the open market after meeting their own needs. The Lessee will have to pay additional charges for mineral sold in the open market as prescribed in the Sixth Schedule of the Act. Collectively, on account of both these provisions,

#### **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. The 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 is Rs. 1922.21 Million as against Rs. 4017.44 Million in the previous financial year. The Company's Profit before Depreciation Interest and Tax ("PBDIT") was Rs. (474.38) Million in the financial year ended 31st March, 2021 as opposed to (PBDIT) of Rs. (4141.19) Million in the immediate previous financial year.

Taking into account depreciation and interest cost, profit before tax (PBT) stood at Rs. (831.16) Million as against Rs. (537.69) Million in the previous financial year and total comprehensive income for the year was Rs. (848.88) Million against Rs. (596.37) 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 2020-21 as compared to the immediately previous financial year 2019-20 are given below:

<b>Particulars</b>	<b>2020-21</b>	<b>2019-2020</b>	<b>Change in %</b>
<b>Debtor Turnover</b>	<b>Not calculated as no credit sale made</b>		-
<b>Inventory Turnover</b>	-	3.86	(3.86)
<b>Interest Coverage Ratio</b>	(46.51)	(23.77)	(22.74)
<b>Current Ratio</b>	0.59	0.74	(0.15)
<b>Debt Equity Ratio</b>	1.84	0.08	1.76
<b>Operating profit margin(%)</b>	(0.23)	(10.31)	10.08
<b>Net Profit Margin (%)</b>	(41.97)	(13.38)	(28.59)
<b>Return on Net Worth (%)</b>	(61.73)	(43.35)	(18.38)

## 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

#### 11. 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 regulation 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).

#### 12. 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 31<sup>st</sup> March, 2021 the Board comprises of five Directors out of which three (3) are Executive Directors including One Managing Director and two (2) Non-Executive Independent Directors. Due to non reappointment of Mr. Gurjeet Singh Jawandha in the AGM held on 30.12.2020, there was non compliance with composition of BOD and company is in the process to appoint one more independent director to comply with Reg 17 of SEBI (LODR). Mrs. Rita Singh, Managing Director is the chairperson of the Company and two 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 2020-2021, 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 2020-21, 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 2020-21	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	3	Yes	6	-	3	Mideast India Limited
Natasha Sinha (DIN: 00812380)	Joint Managing Director	3	Yes	6	1	1	-
Sanjiv Batra (DIN:00602669)	Independent Non-Executive Director	3	No	-	-	-	-
G S Jawandha *1 (DIN:00213573)	Independent Non-Executive Director	2	Yes	-	-	-	-
Hawa Singh Chahar (DIN 01691383)	Independent Non-Executive Director	3	Yes	3	1	5	Mideast India Limited Mesco Pharmaceuticals Limited
Mr. Vishwambhar Nath Tiwari (DIN: 08719133)	Executive Director	3	Yes	-	-	-	-

\*1: Ceased to act as a Director w.e.f 30.12.2020

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

#2Board 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, 2021, Three meetings were held on 11<sup>th</sup> September, 2020, 5<sup>th</sup> December, 2020, 12<sup>th</sup> January, 2021 adjourned to 17<sup>th</sup> February, 2021. 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, 2021:** 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 17, 2021 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](http://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](http://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.

**13. 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,

2021 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 three times during the year ended March 31, 2021 i.e. on 11<sup>th</sup> September, 2020, 5<sup>th</sup> December, 2020 and 12<sup>th</sup> January, 2021 adjourned to 17<sup>th</sup> February, 2021. 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	Chairman	3	3
Mr. Sanjiv Batra	Member	3	3
Mrs. Natasha Sinha	Member	3	3

In addition to the above, the committee meetings were also attended and supported by Mr. Arun Tadarwal & Ms. Mala Tadarwal (Statutory Auditors) 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.

#### 14. Nomination and Remuneration Committee

The constitution of Nomination and Remuneration Committee was in compliance with Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act 2013 till 30.12.2020. Since non confirmation of appointment of Mr. G S Jawandha, Independent Director in the AGM of the Company held on 30.12.2020, there was requirement to appoint one independent director. As on March 31, 2021 the Nomination and Remuneration Committee comprises of two Independent Directors. Mr. Hawa Singh Chahar, the Independent Director of the Company, acts as the Chairman of the Committee. The Committee met one time during the year ended March 31, 2021 i.e. on 11<sup>th</sup> September 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	Chairman	1	1
Mr. Sanjiv Batra	Member	1	1
Mr. G S Jawandha	Member	1	1

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.

**15. 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, 2021 is as under:

**InMn**

<b>Name of Director</b>	<b>Sitting Fees</b>	<b>Salaries &amp; Perquisites</b>	<b>Commission</b>	<b>Total</b>
Mrs. Rita Singh	-	-	-	-
Mrs. Natasha Sinha	-	-	-	-
Mr. Sanjiv Batra	0.31	-	-	0.31
Mr. G S Jawandha	0.13	-	-	0.13
Mr. H S Chahar	0.31	-	-	0.31
Mr. V N Tiwari	-	1.54	-	1.54



## 16. 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 one times during the year ended March 31, 2021 i.e. on 17<sup>th</sup> February, 2021. The details of composition and attendance at the committee meetings during the year ended March 31, 2021 are as under:

NameoftheMember	Designation	No. of Meetings	Meetings attended
Mr. Hawa Singh Chahar	Chairman	1	1
Mr. Sanjiv Batra	Member	1	1
Mrs. Rita Singh	Member	1	1

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, 2021 is provided below:**

Particulars	Status
Complaints outstanding as on April1, 2020	0
Complaints received during the year ended March 31, 2021	4
Complaints resolved during the year ended March 31,2021	4
Complaints not solved to the satisfaction of Shareholders as on March 31,2021	0
Complaints Pending as on March 31, 2021	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

## 17. 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. Since the Company did not had average profits for last three years so they were not required to make any contribution towards CSR activities.

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.

## 18. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Special Resolution
2019-20	H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi 1100048 Through Video Conferencing	December 30, 2020	11.00 AM	1. To approve related party transactions as Section 188 of the Companies Act, 2013 2. To approve limits under section 185 loan to directors.
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. SanjivBatra (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

## II. Postal Ballot

During financial year ended March 31, 2021 no resolution was passed through postal ballot. During previous year ended March 31, 2020. No Special Resolutions were passed through PostalBallot.

## 19. 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](http://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](http://www.mescosteel.com). No presentations have been made to institutional investors/analysts during the financial year.

## 20. GENERAL SHAREHOLDER INFORMATION

<b>A. Annual General Meeting details (Date, Time and Venue)</b>	30 <sup>th</sup> December, 2021, Thursday at 11:00 AM through Video Conferencing	
<b>B. Financial Year</b>	2020-2021	
<b>C. Dividend Payment Date</b>	Not applicable	
<b>D. Book Closure Dates</b>	24-12-2021 to 30-12-2021	
<b>E. Listing Fees</b>	The Company has paid the listing fees for financial year 2021-2022 to BSE Limited, where the shares of the company are listed.	
<b>F. Listing on Stock Exchanges and Stock Code</b>	BSE Ltd. (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400001 Scrip Code: 540744	Calcutta Stock Exchange (CSE) 7, Lyons Range, Kolkata-700001 Scrip Code:23143
<b>G. Registrars and Transfer Agents</b>	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: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>	
<b>H. Share Transfer System</b>	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.	
<b>I. Dematerialization of Shares and Liquidity</b>	57.65% 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, 2021	

<b>J.</b>	<b>Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity</b>	NIL	
<b>K.</b>	<b>Commodity price risk or Foreign exchange risk and hedging activities</b>	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.	
<b>L.</b>	<b>Plant Location</b>	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
<b>M.</b>	<b>Address for correspondence</b>	Registered Office of Company: Mideast Integrated Steels Limited Mesco Tower, H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048. Ph.No.-011-40587085 Email:priyankachug@mescosteel.com	Registrar and Transfer Agent: Skyline 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: <a href="http://www.skylinerta.com">www.skylinerta.com</a>
<b>N.</b>	<b>List of all credit rating</b>	NIL	

**M. MARKET PRICE DATA:** The Market price data for the financial year 2020-21 is as under:

**MARKET PRICE DATA (SCRIPCODE:540744)**

Month	Open Price	High Price	Low Price	Close Price
Apr-20	3.71	5.06	3.53	5.00
May-20	5.00	5.25	4.13	4.28
June 20	4.33	7.05	4.09	6.64
July 20	6.43	7.08	4.52	4.85
Aug 20	4.88	6.18	4.61	5.45
Sept 20	5.18	5.72	4.70	4.95
Oct 20	4.71	5.19	4.31	4.59
Nov 20	4.59	4.77	4.21	7.40
Dec 20	4.52	6.70	4.30	5.69
Jan 21	5.90	11.25	5.43	10.81
Feb 21	10.60	10.60	7.44	7.89
Mar 21	7.89	8.20	6.52	6.61

**N. Performance Comparison to Broad Based Indices such as Sensex**

The Company's market price rose by approx. 72.14% from being Rs. 3.84 per share as on 31.03.2020 to Rs. 6.61 per share as on 31.03.2021; whereas BSE sensex has rose by 46.84% (sensex being 33717 on 01.04.2020 and 49509 on 31.03.2021).

**O. Distribution of Shareholding as on March 31, 2021**

No. of equity shares (Rs.)	No. of Shareholders	% of Shareholders	No. of Shares (Rs.)	% to Total
1	2	3	4	5
Up To 5,000	93384	97.35	118016640.00	8.56
5001 To 10,000	1370	1.43	11116580.00	0.81
10001 To 20,000	580	0.60	8862220.00	0.64
20001 To 30,000	193	0.20	4861950.00	0.35
30001 To 40,000	99	0.10	3552180.00	0.26
40001 To 50,000	61	0.06	2876030.00	0.21
50001 To 1,00,000	121	0.13	8601440.00	0.62
1,00,000 and Above	120	0.13	1220862960.00	88.55
<b>Total</b>	<b>95928</b>	<b>100.00</b>	<b>1378750000.00</b>	<b>100.00</b>

#### Categories wise shareholding as on March 31, 2021

Particulars	Noofshares	%
Promoters Shareholding	90361470	65.54
Non promoter Shareholding		
Mutual Funds and UTI	0	0
Banks, Financial Institution, Insurance Companies, Clearing Members	269801	0.19
India Public	18388710	13.34
NBFC	0	-
Bodies Corporate	14302408	10.37
Non-resident Indians	235538	0.17
Resident Indian HUF	237586	0.17
Trust	100	-
Clearing Member/House	12363	-
IEPF	14067024	10.21
<b>Grand Total</b>	<b>137875000</b>	<b>100</b>

#### 21. DISCLOSURES

- a) During the financial year ended March 31, 2021 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 loans and advances given to related parties for which no schedule of repayment of amount 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, 2021.
- b) During the year under review SEBI/Stock Exchange have issue penalty letters against the company for non-compliance under Regulations of SEBI (LODR) provisions.
- 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, 2021 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, 2021
	Rs. in Mn
Payments to the auditors comprises	
For statutory audit	1.00
For Taxation Matters	0
<b>Total</b>	<b>1.00</b>

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

22. 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.

### 23. 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.

24. 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: 06.12.2021**

### **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, 2021, 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: 06.12.2021**



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

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We hereby certify that we have reviewed financial statements and the cash flow statements for the financial year ended on March 31, 2021, 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: 06.12.2021**

**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, 2021, 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 except non composition of Board as per Reg 17 of LODR, non composition of Nomination and Remuneration Committee as per Reg 19 of LODR.

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: A050667C000966791**

**Place: New Delhi**

**Date:**

**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](http://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, 2021 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:

<b>S. No</b>	<b>Name of Director</b>	<b>DIN</b>
1.	Mrs. Rita Singh	00082263
2.	Mr. Sanjiv Batra	00602669
3.	Mrs. Natasha Sinha	00812380
4.	Mr. Hawa Singh Chahar	01691383
5.	Mr. Vishwambhar Nath Tiwari	08719133
6.	Mr. Upendra Mani Tripathi	09315772
7.	Mr. Prasant Kumar Misra	03196452

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: A050667C000966758**  
**Place: New Delhi**  
**Date:**

**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, 2021, 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, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 transactions with its related parties, and has a net inter-company receivables, being loans given, amounting to Rs27.98 crores as at 31<sup>st</sup> March 2021 (Rs28.22 crores as on 31<sup>st</sup> March 2020), 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, the management has not carried out a detailed impairment assessment as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, 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 16.63 crores as on 31<sup>st</sup> March 2021 (Rs16.10 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*
  - *We have not been provided with any loan agreement signed with the Subsidiary.*

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- *The management has not carried out a detailed impairment assessment of the Subsidiary as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36, even though the subsidiary has its operations suspended since January 2019.*

*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) *Besides the loans as mentioned in point no 1 above, the Company had also given certain advances to its related parties and has debtor based receivables from them. The net inter-company receivables, being debtors and advances given, amount to Rs28 crores as at 31<sup>st</sup> March 2021 (Rs28 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*
- *Out of the above, we have not been provided with the minutes of the meetings for the approval of advances / debtors amounting to Rs0.67 crores, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*
  - *The management has not carried out a detailed impairment assessment of Rs28 crores, as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, 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.*

- 4) *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 31<sup>st</sup> March 2021, the net worth is completely eroded and is negative at Rs 147.50 crores and the liabilities exceed the assets of the subsidiary company by Rs147.50 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.*
- 5) *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. During the year, the Company has paid Rs 164 crores as payment under protest.*

*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 (net of payment made under protest), upto date of the balance sheet, of Rs489.87 crores, making the total liability provision of Rs1413.87 crores as on 31<sup>st</sup> March 2021 (Rs 1395.47 crores as on 31<sup>st</sup> March 2020). In case the above provision had been made in the books, the loss would stand at Rs 1498.75 crores as on 31<sup>st</sup> March 2021 (Loss would be Rs 1455 crores as on 31<sup>st</sup> March 2020).*

- 6) *Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure III attached herewith. Further, we had requested for direct bank confirmations from the*

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*bankers of the Company, however, have not received the same for some banks. Details are as per Annexure IV attached herewith.*

- 7) *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 2021.*
- 8) *There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31<sup>st</sup> March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 9) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 10) *In our opinion, a provision for doubtful debts of Rs45.95 crores (Rs41.38 crores as on 31<sup>st</sup> March 2020) 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 2021. No litigation has been initiated by the Company on these balances.*

**Emphasis of Matter**

- 1) *An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter will be coming for the first time before Kolkata High court.*
- 2) *We draw attention to Note 31 of the financials, which describe Rs718.89 crores plus interest, 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.*
- 3) *We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.*
- 4) *We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:*

<b>Company</b>	<b>Investment Category</b>	<b>Investment Amount (Amount in Rupees)</b>
<i>Keonjhar Infrastructure Development Company Ltd</i>	<i>Investment in equity shares</i>	<i>70,000</i>
<i>Keonjhar Infrastructure Development Company Ltd</i>	<i>6% Cumulative redeemable preference shares</i>	<i>20,002,000</i>
<i>Mesco Steel Limited</i>	<i>Investment in equity shares</i>	<i>100,000,000</i>

*Our opinion is not modified in respect of the above 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 IndAS 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.
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 based on the standalone financial statements.

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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*



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reportthat:

- 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 IndAS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

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 31<sup>st</sup> March 2021]

- 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 explanation given to us, the title deeds of immovable properties are held in the name of the company. *However, we have not been able to verify the documents of the same.* Further, certain assets are charged against the loans taken by 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 2021.*
  - *There is no schedule of repayment of principal and payment of interest that has been stipulated.*
- 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, 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.
- 7 (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India, undisputed statutory dues in respect of Income Tax and Custom duty, if any, has been deposited with the appropriate authorities, *however the dues with respect to the Provident fund, employees' state insurance and any other employee related liability, Value added tax, Cess, Entry tax and GST has not been deposited since April 2020.*

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(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, 2021 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:

<b>Sr. No.</b>	<b>Dues pertaining to</b>	<b>Amount (In Crores) March 2021</b>	<b>Amount (In Crores) March 2020</b>	<b>Forum where dispute is pending</b>
1	Excise Duty	129.31	113.17	Various Authorities
2	Service Tax	1.88	1.88	Various Authorities
3	Sales and Entry Tax	27.80	27.80	Various Authorities
4	Income Tax	5.77	5.77	Various Authorities
	<b>Total</b>	<b>164.76</b>	<b>148.62</b>	

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:

<b>Srn</b>	<b>Bank / Financial Institution</b>	<b>Default Amount</b>	<b>Currency</b>	<b>Default made for the month of</b>
1	SREI Equipment Finance Limited	24,576,600	INR	Entire year
2	BanyanTree Bank Limited (Loan no 0024)	6,25,000	USD	June & December 2020
3	BanyanTree Bank Limited (Loan no 0126)	1,16,666	USD	September 2020&March 2021
4	BanyanTree Bank Limited (Loan no 0046)	1,16,667	USD	June & December 2020
5	ICICI Bank Limited (Loan no LADEL000306009235)	1,71,798	INR	One month installment not paid
6	ICICI Bank Limited (Loan no LAMUM00034985074)	42,750	INR	One month installment not paid

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, no new term loans have been taken by the Company during the year.

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 and in our CARO 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.

**ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31<sup>ST</sup>  
MARCH 2021**

**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, 2021 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.

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CHARTERED ACCOUNTANTS  
MUMBAI**

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

ArunTodarwal&Associates LLP

Chartered Accountants

ICAI Reg No: W100291

ArunTodarwal

Partner

M. No.: 032822

Dated : 6<sup>th</sup> December,2021

Place: Mumbai

UDIN:

**ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31<sup>ST</sup> MARCH 2021**

**Details for Qualification in the Audit report – Point no 6:**

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

**Bank and Fixed Deposit balances:**

<b>Srn</b>	<b>Particulars</b>	<b>Closing Amount as per books (Rs)</b>
1	Fixed deposit with Central Bank (For High Court matters)	14,95,000
2	ICICI Bank Limited, Paradeep, Account number 077605003764	2,404

**Loans by Banks & Other financial institutions:**

<b>Srn</b>	<b>Particulars</b>	<b>Closing Amount as per books (Rs)</b>
1	BanyanTree Bank Limited (Foreign currency loan)	(122,437,945)
2	SREI Equipment Finance Ltd	(36,714,320)

**ANNEXURE IV TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31<sup>ST</sup> MARCH 2021**

**Details for Qualification in the Audit report – Point no 6:**

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

**Bank balances:**

<b>Srn</b>	<b>Bank Name</b>	<b>Location</b>	<b>Balance as per Bank Confirmation</b>	<b>Balance Confirmation received</b>
1	Central Bank Of India A/c 3096464776	BBSR	11,788	Via Company
2	Punjab National Bank A/c 0553002100027876	BBSR	44,248,485	Via Company
3	Central Bank Of India A/c 3078895874	Bhopal	49,158	Via Company
4	Uco Bank A/c 20990210000038	Rewa	4,657	Via Company
5	Bank Of Baroda A/c 19720200000744	Katni	-	Via Company
6	Punjab National Bank A/c 0553002100031037	BBSR	6,68,343	Via Company
7	ICICI Bank Limited A/c 064005001275	Mines	3,16,330	Via Company
8	ICICI Bank Limited A/c 001105024156	Mumbai	-	Via Company
9	Central Bank Of India A/c 1010872701	Delhi	24,062	Via Company
10	ICICI Bank Limited A/c 001105024789	Delhi	25,001,092	Via Company
11	Bank Of Baroda A/c 00290200001372	Kolkata	4,645	Via Company
12	Uco Bank A/c 17840210002803	Kolkata	1,36,466	Via Company
13	State Bank Of India A/c 34137715376	Kolkata	-	Via Company

**Fixed Deposit balances:**

<b>Srn</b>	<b>Bank Name</b>	<b>Location</b>	<b>Balance as per Bank Confirmation</b>	<b>Balance Confirmation received</b>
1	Central Bank (FD Number 3706579073)	BBSR	6,15,000	Via Company

**Loans by Banks:**

<b>Srn</b>	<b>Bank Name</b>	<b>Location</b>	<b>Balance as per Bank Confirmation</b>	<b>Balance Confirmation received</b>
1	ICICI BANK Vehicle Loan A/c No - KFBBS00036585789	BBSR	-	Via Company



**Mideast Integrated Steels Limited**  
**Balance Sheet as at 31 March, 2021**

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
		₹ in Mn	₹ in Mn
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	7,080.42	7,496.36
Capital work-in-progress		244.68	244.68
Non current investments	4	1,918.92	1,918.92
Financial assets			
Security deposits	5	48.94	59.32
Other financial assets	6	2,535.37	2,569.26
Other non current assets	7	792.32	812.32
<b>Current assets</b>			
Inventories	8	731.81	922.89
Financial assets			
Trade receivables	9	615.53	663.50
Cash and cash equivalents	10	162.78	154.15
Advances	11	207.52	678.91
Other financial assets	12	300.27	300.99
		<b>14,638.56</b>	<b>15,821.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,378.75	1,378.75
Other equity	14		
Securities premium		677.70	677.70
Retained earnings		1,454.43	2,303.30
Other reserves		1,642.61	1,642.61
<b>Total equity</b>		<b>5,153.49</b>	<b>6,002.36</b>
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	15	289.57	321.00
Other financial liabilities	16	4,983.39	4,997.76
Deferred tax liabilities (net)	28.5	739.48	739.48
Employee benefit obligations	17	69.65	61.29
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	18	1,869.79	2,327.25
Other financial liabilities	19	1,521.81	1,363.10
Employee benefit obligations	20	11.39	9.07
		<b>14,638.56</b>	<b>15,821.30</b>
<b>Notes forming part of the financial statements</b>	<b>1 - 38</b>		

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

**Arun Todarwal**

Partner

M. No. 32822

**UDIN:**

Place : New Delhi

Date :

**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

**Mideast Integrated Steels Limited**  
**Statement of Profit and Loss for the year ended 31 March, 2021**

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2021	31 March, 2020
		₹ in Mn	
Revenue from operations (Gross)	21	2,028.11	4,737.46
Total revenue		<b>2,028.11</b>	<b>4,737.46</b>
<b>Expenses</b>			
Cost of materials consumed	22a	-	3,561.27
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22b	199.38	90.07
GST on sales	21	105.90	720.02
Employee benefit expenses	23	116.78	258.41
Other expenses	24	2,080.42	521.88
<b>Total expenses</b>		<b>2,502.49</b>	<b>5,151.65</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(474.38)</b>	<b>(414.19)</b>
<b>Less:</b>			
Depreciation and amortisation expenses	3	415.95	561.87
Finance costs	25	10.20	17.43
<b>Add:</b>			
Other income (Net)	26	69.37	455.78
<b>Profit before extraordinary items, exceptional items and Prior Period Items and tax</b>		<b>(831.16)</b>	<b>(537.69)</b>
Exceptional/Extraordinary items			-
<b>Profit before tax</b>		<b>(831.16)</b>	<b>(537.69)</b>
<b>Tax expenses:</b>			
Current tax net of MAT			-
Tax expense relating to prior years		20.00	60.00
Deferred tax			-
<b>Profit for the year</b>		<b>-851.16</b>	<b>-597.69</b>
<b>Other Comprehensive Income:</b>			
<b>Not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/ (losses) on defined benefit plans		2.28	1.32
Less: Income tax effect			-
<b>Other comprehensive income for the year, net of tax</b>		<b>2.28</b>	<b>1.32</b>
<b>Total Comprehensive income</b>		<b>-848.88</b>	<b>-596.37</b>
<b>Earnings per Equity share (₹ 10/- each)</b>			
Basic & Diluted (₹)		-6.17	-4.34
<b>Notes forming part of the financial statements</b>	<b>1 - 38</b>		

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:**

Place : New Delhi

Date :

**Natasha Sinha**

Joint MD

DIN 00812380

Manas Pahi

CFO

**Rita Singh**

CMD

DIN 00812380

**Priyanka Chugh**

Company Secretary



**Mideast Integrated Steels Limited**  
**Cash Flow Statement for the year ended 31 March, 2021**

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		-831.16		-537.69
Adjustments for				
Depreciation and amortisation	415.95		561.87	
Finance costs	10.20		17.43	
Interest income	(7.77)		(5.54)	
Rental income	-0.91		(42.03)	
Liabilities / provisions no longer required written back	-12.42		-392.44	
Net unrealised exchange (gain) / loss	-18.67		50.67	
		386.37		189.96
Operating profit / (loss) before working capital changes		-444.78		-347.73
Adjustments for (increase) / decrease in operating assets				
Inventories	191.08		206.37	
Trade receivables	47.98		67.00	
Short-term loans and advances	471.39		(120.36)	
Long-term loans and advances	33.89		(42.56)	
Other non-current assets	30.38		60.00	
Other current assets	0.72		(20.11)	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(448.58)		(105.41)	
Other current liabilities	-		-	
Other long-term liabilities	(14.37)		(39.51)	
Short-term provisions	2.32		-0.08	
Long-term provisions	8.36		-4.68	
		323.19		0.66
Cash generated from operations		-121.60		(347.08)
Net income tax (paid) / refunds			-56.23	
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>-121.60</b>		<b>(403.31)</b>
<b>B. Cash flow from investing activities</b>				
Purchase/Sale of fixed assets including capital advance	(0.00)		(3.55)	
Investment in subsidiaries and joint ventures	-0.00		0.00	
Rental receipt	0.91		42.03	
Interest received	7.77		5.54	
(Investment in fixed deposit/Proceeds from fixed deposits)	151.87		302.85	
		160.55		346.87
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>160.55</b>		<b>346.87</b>
<b>C. Cash flow from financing activities</b>				
Proceeds/(Repayment) of borrowings	(8.74)		(306.01)	
Finance cost	(10.20)		(17.43)	
		(18.94)		(323.44)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(18.94)</b>		<b>(323.44)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>20.02</b>		<b>-379.88</b>
Cash and cash equivalents at the beginning of the year		38.91		418.79
<b>Cash and cash equivalents at the end of the year</b>		<b>58.93</b>		<b>38.91</b>

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

As per our report of even date

**For Arun Tadarwal & Associates LLP**

**Chartered Accountants**

ICAI Reg No. W100291

**Arun Tadarwal**

Partner

M No. 32822

**UDIN:**

Place : New Delhi

Date :

**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

**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.:

<b>Class of assets</b>	<b>Years</b>
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

## **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, 2020	Additions	Deductions	As at March 31, 2021	As at March 31, 2020	During the year	Deductions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Land (Free hold)	4.55			4.55	-			-	4.55	4.55
Land and Site Development	953.39			953.39	663.06	4.74		667.80	290.33	285.59
Building	1,445.88			1,445.88	494.09	53.91		548.00	951.79	897.89
Plant and Machinery	10,044.82			10,044.82	4,203.92	296.94		4,500.86	5,840.90	5,543.96
Furniture and Fixtures	159.05			159.05	129.41	6.91		136.32	29.64	22.73
Office Equipment	34.73	0.01		34.74	29.06	2.18		31.24	5.67	3.51
Computer	82.30			82.30	79.03	0.36		79.39	3.27	2.91
Vehicles	72.99			72.99	54.62	5.34		59.96	18.37	13.03
V Sat	0.82			0.82	0.82	-		0.82	-	-
Railway Siding	683.14			683.14	331.31	45.58		376.89	351.83	306.25
<b>Total</b>	<b>13,482.57</b>	<b>0.01</b>	<b>-</b>	<b>13,482.58</b>	<b>5,985.32</b>	<b>415.95</b>	<b>-</b>	<b>6,401.27</b>	<b>7,496.36</b>	<b>7,080.42</b>
<b>Previous Year</b>	<b>13,553.73</b>	<b>1.02</b>	<b>73.08</b>	<b>13,482.57</b>	<b>5,438.94</b>	<b>561.87</b>	<b>15.29</b>	<b>5,985.42</b>	<b>8,115.00</b>	<b>7,496.36</b>

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

**Note 4 Non current investments**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Investments (At cost)		
Trade and Unquoted		
a. Investment in equity shares		
<u>Subsidiaries</u>		
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		
<u>Others</u>		
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		
<u>Subsidiaries</u>		
Maithan Ispat Limited	-	-
30,000,000 (PY- 30,000,000) 10% cumulative redeemable preference shares of rupees 10 each fully paid up		
<u>Others</u>		
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		
<b>Total</b>	<b>1,918.92</b>	<b>1,918.92</b>

\* 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, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Security deposits		
Unsecured, considered good	48.94	59.32
<b>Total</b>	<b>48.94</b>	<b>59.32</b>

**Note 6 Other financial assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Loans and advances to related parties		
Unsecured, considered good	2,535.37	2,569.26
<b>Total</b>	<b>2,535.37</b>	<b>2,569.26</b>

**Note 7 Other non current assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
MAT credit entitlement		
Unsecured, considered good	792.32	812.32
<b>Total</b>	<b>792.32</b>	<b>812.32</b>

**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, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Raw materials	17.54	17.54
Finished goods	657.48	848.57
Stores and spares	56.79	56.79
<b>Total</b>	<b>731.81</b>	<b>922.89</b>

**Note 9 Trade receivables**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	615.53	339.53
Other Trade receivables		
Unsecured, considered good	-	323.97
<b>Total</b>	<b>615.53</b>	<b>663.50</b>

**Note 10 Cash and cash equivalents**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Cash and cash equivalents		
Cash on hand	2.24	31.66
Balances with banks		
In current accounts	49.04	3.61
In deposit accounts	7.65	3.63
In deposit accounts *	59.69	63.19
In earmarked accounts		
- Unclaimed dividend accounts	25.00	39.14
Interest on Bank Deposits	19.16	12.91
<b>Total</b>	<b>162.78</b>	<b>154.15</b>

\* 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, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Loans and advances to Suppliers		
Unsecured, considered good	197.77	667.77
Loans and advances to employees		
Unsecured, considered good	9.75	11.15
<b>Total</b>	<b>207.52</b>	<b>678.91</b>

**Note 12 Other financial assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Prepaid expenses		
Unsecured, considered good	0.11	1.75
Balances with government authorities		
Unsecured, considered good	140.14	140.59
Income Tax (Net of Provisions)	160.02	158.66
<b>Total</b>	<b>300.27</b>	<b>300.99</b>

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

**Note 13 Equity share capital**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ 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
<b>Total</b>	<b>1,378.75</b>	<b>1,378.75</b>

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

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	₹ in Mn	No. of shares	₹ in Mn
<b>Equity Shares</b>				
Opening Balance	13,78,75,000	1,378.75	13,78,75,000	1,378.75
Changes during the year	-	-	-	-
<b>Closing Balance</b>	<b>13,78,75,000</b>	<b>1,378.75</b>	<b>13,78,75,000</b>	<b>1,378.75</b>

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

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	%	No. of shares	%
<b>Equity Shares</b>				
Mideast (India) Limited	3,25,49,940	23.61	3,25,49,940	23.61
Mesco Mining Limited	1,70,00,000	12.33	1,70,00,000	12.33
Moorgate Industries India Private Limited	1,37,87,500	10.00	1,37,87,500	10.00
Mesco Steels Limited	1,31,46,800	9.54	1,31,46,800	9.54
Mesco Logistics Limited	1,21,51,700	8.81	1,21,51,700	8.81
Mesco Kalinga Steels Limited	1,00,00,000	7.25	1,00,00,000	7.25
<b>Total</b>	<b>9,86,35,940</b>	<b>71.54</b>	<b>9,86,35,940</b>	<b>71.54</b>

**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, 2021	As at 31 March, 2020
	₹ 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	2,303.30	2,899.67
Add: Profit / (Loss) for the year	(851.16)	(597.69)
Add / Less: Re-measurement gains/ (losses) on defined benefit plans	2.28	1.32
Closing balance	1,454.43	2,303.30
<b>Total</b>	<b>3,774.74</b>	<b>4,623.61</b>

**Note 15 Borrowings**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
Term loans from Banks (Refer note 1)	1.29	6.16	5.45	6.59
Term loans from Other Parties (Refer note 1)	-	36.71	18.22	18.99
	1.29	42.88	23.67	25.58
<b>Unsecured</b>				
From Promoters	279.74	-	279.74	-
From Banks (Refer note 2)	8.54	113.90	17.59	108.49
	288.28	113.90	297.33	108.49
<b>Total</b>	<b>289.57</b>	<b>156.79</b>	<b>321.00</b>	<b>134.09</b>

**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, 2021		As at 31 March, 2020	
		Non-Current	Current	Non-Current	Current
		₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
<b>Term loans from banks</b>					
ICICI Bank Limited	Vehicle loan of ₹ 0.46 Mn (PY ₹ 0.78 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 8.	-	0.46	0.33	0.45
ICICI Bank Limited	Vehicle loan of ₹ 0 Mn (PY ₹ 0.17 Mn) are secured by first charge by way of hypothecation of the respective vehicles.	-	-	-	0.17
ICICI Bank Limited	Vehicle loan of ₹ 0 Mn (PY ₹ 0.10 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 6.	-	-	-	0.10
ICICI Bank Limited	Vehicle loan of ₹ 1.18 Mn (PY ₹ 2.56 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 7.	-	1.18	0.64	1.92
ICICI Bank Limited	Vehicle loan of ₹ 0 Mn (PY ₹ 0.02 Mn) are secured by first charge by way of hypothecation of the respective vehicles.	-	-	-	0.02
ICICI Bank Limited	Vehicle loan of ₹ 1.68 Mn (PY ₹ 2.46 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 15.	0.29	1.39	1.31	1.16
ICICI Bank Limited	Vehicle loan of ₹ 1.46 Mn (PY ₹ 2.11 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 17.	0.39	1.07	1.12	0.99
ICICI Bank Limited	Vehicle loan of ₹ 1.48 Mn (PY ₹ 2.13 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 16.	0.40	1.08	1.14	0.99
ICICI Bank Limited	Vehicle loan of ₹ 1.18 Mn (PY ₹ 1.70 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 15.	0.21	0.97	0.91	0.79
<b>Total - Term loans from banks</b>		<b>1.29</b>	<b>6.15</b>	<b>5.45</b>	<b>6.59</b>

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

<b>Term loans from other parties:</b>					
Srei Equipment Finance Limited	Equipment loan of ₹ 36.17 Mn (PY ₹ 37.19 Mn) are secured by first charge by way of hypothecation of the respective equipment.		36.71	18.22	18.99
<b>Total - Term loans from other parties</b>			<b>36.71</b>	<b>18.22</b>	<b>18.99</b>

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

Particulars	Terms of repayment	As at 31 March, 2021		As at 31 March, 2020	
		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.	-	68.63	-	70.67
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD 0.21 Mn (PY USD 0.335 Mn) is payable in 12 installments.	-	15.37	-	15.83
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD 0.53 Mn (PY USD 0.7 Mn) is payable in 12 installments.	8.54	29.89	17.59	21.99
<b>Total long term borrowings</b>		<b>8.54</b>	<b>113.90</b>	<b>17.59</b>	<b>108.49</b>

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

**Note 16 Other financial liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Advances from customers	4,983.39	4,997.76
<b>Total</b>	<b>4,983.39</b>	<b>4,997.76</b>

**Note 17 Employee benefit obligations**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	57.20	50.39
Provision for leave encashment	12.44	10.90
<b>Total</b>	<b>69.65</b>	<b>61.29</b>

**Note 18 Trade payables**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Micro, Small & Medium enterprises	-	-
Others	1,869.79	2,327.25
<b>Total</b>	<b>1,869.79</b>	<b>2,327.25</b>

**Note 19 Other financial liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Current maturities of long-term debt	156.79	134.09
Interest accrued and due on borrowings	11.30	2.84
Unclaimed dividends	25.00	39.14
Statutory Dues	799.28	809.63
Trade / security deposits received	31.08	31.08
Advances from customers	468.51	304.85
Employee related liabilities	29.84	41.45
<b>Total</b>	<b>1,521.81</b>	<b>1,363.10</b>

**Note 20 Employee benefit obligations**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	9.95	7.68
Provision for leave encashment	1.44	1.39
<b>Total</b>	<b>11.39</b>	<b>9.07</b>



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

**Note 21 Revenue from operations**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Sale of products	2,028.11	4,737.46
Less: GST on sales	105.90	720.02
<b>Total</b>	<b>1,922.21</b>	<b>4,017.44</b>

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Sale of products comprises		
Plant-Manufactured Goods	40.69	3,794.97
Plant-Traded Goods	45.76	222.47
Mines	1,835.75	-
<b>Total</b>	<b>1,922.21</b>	<b>4,017.44</b>

**Note 22a Cost of materials consumed**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Opening stock	17.54	136.26
Add: Purchases	-0.00	3,442.56
Less: Closing stock	17.54	17.54
<b>Cost of material consumed</b>	<b>-</b>	<b>3,561.27</b>
<b>Material consumed comprises</b>		
Raw material -Iron ore		899.54
Raw material - Coke		2,489.59
Other items		172.15
<b>Total</b>	<b>-</b>	<b>3,561.27</b>

**Note 22b Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
<u>Inventories at the end of the year</u>		
Finished goods	657.48	848.57
	657.48	848.57
<u>Inventories at the beginning of the year</u>		
Finished goods	848.57	931.84
Stock-in-transit - FG	-	-
	848.57	931.84
Less: Excise duties on increase / (decrease) of finished goods	8.30	6.80
<b>Net increase / (decrease)</b>	<b>-199.38</b>	<b>-90.07</b>

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

**Note 23 Employee benefits expenses**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Salaries and wages	103.66	246.93
Contributions to provident and other funds	0.92	10.25
Provision for gratuity	9.09	-2.57
Provision for leave	1.60	0.12
Staff welfare expenses	1.52	3.68
<b>Total</b>	<b>116.78</b>	<b>258.41</b>

**Note 24 Other expenses**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Consumption of stores and spare parts	6.63	80.88
Royalty cost	352.36	18.00
Mining cost	16.52	-
Power and fuel	6.63	96.62
Water charges	7.62	12.54
Material handling Charges	0.12	8.12
Rent	4.57	15.85
Repairs and maintenance - Buildings	7.75	3.36
Repairs and maintenance - Machinery		6.25
Repairs and maintenance - Others		36.26
Labour charges		30.86
Insurance	0.76	16.16
Rates and taxes	1.46	4.38
Communication	1.25	2.13
Travelling and conveyance	5.31	26.03
Selling & distribution	3.57	10.39
Donations and contributions	0.06	17.13
Legal and professional	13.21	42.57
Net loss on foreign currency transactions and translation	-	50.67
Payments to auditors (Refer Note below)	1.00	1.50
CSR expenses	0.01	0.53
Miscellaneous expenses	11.46	41.65
Compensation on material	1,640.15	-
<b>Total</b>	<b>2,080.42</b>	<b>521.88</b>

**Note**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Payments to the auditors comprises		
For statutory audit	1.00	1.50
For Taxation Matters	-	-
<b>Total</b>	<b>1.00</b>	<b>1.50</b>

**Note 25 Finance costs**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Interest expense on		
Borrowings	9.79	15.09
Interest on delayed / deferred payment of statutory dues	0.23	0.68
Other borrowing cost	0.17	1.65
<b>Total</b>	<b>10.20</b>	<b>17.43</b>

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

**Note 26 Other income**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Interest income (Refer Note below)	7.77	5.54
Rental Income	0.91	42.03
Liabilities / provisions no longer required written back	12.42	392.44
Others	29.60	15.77
Net gain on foreign currency transactions and translation	18.67	-
<b>Total</b>	<b>69.37</b>	<b>455.78</b>

**Note**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Interest income comprises		
Interest from banks deposits	7.77	5.54
<b>Total</b>	<b>7.77</b>	<b>5.54</b>

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

**Note 27 Additional information to the financial statements**

	Particulars	As at 31 March, 2021	As at 31 March, 2020		
		₹ in Mn	₹ in Mn		
27.1	<b>Contingent liabilities (to the extent not provided for)</b>				
	(a) Claims against the company not acknowledged as debt				
	(i) Central excise, customs and service tax	1,150.53	1,150.53		
	(ii) Sales tax and entry tax	278.00	278.00		
	(iii) Income Tax	57.76	57.76		
	(b) Guarantee provided in respect of obligations of a subsidiary	7,829.50	7,829.50		
27.2	<b>Capital Commitments</b>				
	<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>		
		₹ 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		
27.3	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>				
	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.				
27.4	<b>Details on unhedged foreign currency exposures</b>				
	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below				
	<b>As on 31st March 2021</b>		<b>As on 31st March 2020</b>		
	<b>Receivable /(Payable) ₹ in Mn</b>	<b>Receivable /(Payable) USD in Mn</b>	<b>Receivable /(Payable) ₹ in Mn</b>	<b>Receivable /(Payable) USD in Mn</b>	
	(635.65)	(8.68)	(645.78)	(8.57)	
27.5	<b>Value of imports calculated on CIF basis</b>				
	<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>		<b>For the year ended 31 March, 2020</b>	
		₹ in Mn		₹ in Mn	
	Raw materials	-		-	
	Spare parts	-		-	
	Capital goods	-		-	
27.6	<b>Expenditure in foreign currency</b>				
	Interest	-	-	3.97	
	Travelling	-	-	9.21	
	Consultancy	-	-	-	

Note 27 Additional information to the financial statements (contd.)

27.7	<b>Details of consumption of imported and indigenous items</b>		
	<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	
		<b>₹ in Mn</b>	<b>%</b>
	<u>Imported</u>		
	Raw Materials	-	-
	Spare parts	-	-
	<u>Indigenous</u>		
	Raw materials	-	-
Spare parts	-	-	
<b>Total</b>	-	-	
Note: Previous year figures are NIL			
27.8	<b>Earnings in foreign exchange</b>		
	<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
		<b>₹ in Mn</b>	<b>₹ in Mn</b>
	Export of goods calculated on FOB basis	-	6.70

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

**Note 28 Disclosures under Accounting Standards**

28.1	<b>Post retirement benefit plans</b>		
28.1a	<u>Defined contribution plans</u>	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 ₹ 0.92 Mn (PY - ₹ 10.25 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	<u>Defined benefit plans</u>	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.	
	<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
		<b>Gratuity</b>	<b>Gratuity</b>
		<b>₹ in Mn</b>	
	<b>Components of employer expense</b>		
	Current service cost	4.76	5.04
	Interest cost	3.81	4.50
	Past service cost	-	-
	Actuarial losses/(gains)	1.23	(12.10)
	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>9.80</b>	<b>(2.57)</b>
	<b>Actual contribution and benefit payments for year</b>		
	Actual benefit payments	0.71	0.53
	Actual contributions	-	-
	<b>Net asset / (liability) recognised in the Balance Sheet</b>		
	Present value of defined benefit obligation	67.15	(58.07)
	Fair value of plan assets	-	-
	Funded status [Surplus / (Deficit)]	-	-
	Unrecognised past service costs	-	-
	<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>67.15</b>	<b>(58.07)</b>
	<b>Change in defined benefit obligations (DBO) during the year</b>		
	Present value of DBO at beginning of the year	58.07	62.10
	Current service cost	4.76	5.04
	Interest cost	3.81	4.50
	Actuarial (gains) / losses	1.23	(12.10)
	Past service cost	-	-
	Benefits paid	(0.71)	(1.46)
	<b>Present value of DBO at the end of the year</b>	<b>67.15</b>	<b>58.07</b>
	<b>Actuarial assumptions</b>		
	Discount rate	6.45%	6.80%
	Salary escalation	6%	6%
	Mortality tables	IALM(2012-14) Ult	IALM(2012-14) Ult
28.2	<b>Segment information</b>		
	The Company's business activity primarily 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 28 Disclosures under Accounting Standards (contd.)**

**Related party transactions**

**Details of related parties**

Note	Description of relationship	Names of related parties
28.3a	Subsidiaries Key Management Personnel (KMP) Relatives of KMP	Maithan Ispat Limited Mrs. Rita Singh (Chairperson cum Managing Director) Mrs. Natasha Singh Sinha (Joint Managing Director)) Mr. Sandeep Agarwal (Company Secretary)* Ms. Priyanka Chug (Company Secretary)** 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. Sandeep Agarwal ceases to be Company Secretary from 11 <sup>th</sup> May 2020. ** Ms. Priyanka Chug has been appointed as Company Secretary since 11 <sup>th</sup> September 2020.	

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

**Note 28 Disclosures under Accounting Standards (contd.)**

₹ in Mn

Note	Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:				
28.3b	Transaction during the year	Subsidiary	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
	<u>Rentals services</u>				
	Mesco Steels Limited				- (0.28)
	Mesco Logistics Limited				- (0.47)
	Mesco Hotels Limited				- (0.64)
	Mesco Kalinga Steels Limited				- (0.62)
	Mrs. Rita Singh		- (1.50)		
	Mrs. Natasha Singh Sinha		- (1.50)		

<b>Remuneration \$</b>				
Mrs. Natasha Singh Sinha			-	
			(9.47)	
Mr. Pawan Thakur			-	
			(0.74)	
Mr. S. N. Kambali			-	
			(0.76)	
Mr. Pawan Thakur			-	
			(0.74)	
Mr. Sandeep Agarwal			-	
			(0.59)	
Mr. S N Kambali			-	
			(0.76)	
Mr. Sisirkanta Panigrahi			-	
			(0.82)	
Ms. Priyanka Chug			-	
			-	

**Mideast Integrated Steels Limited**  
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**Note 28 Disclosures under Accounting Standards (contd.)**

₹ in Mn

<b>Purchase of Goods</b>				
Maithan Ispat Limited		-		
<i>(including duties &amp; taxes)</i>		(4.35)		
Mesco Kalinga Steels Limited		-		
<i>(including duties &amp; taxes)</i>		(2,435.29)		
<b>Loans and Advances given</b>				
Mesco Steels Limited				7.60
				-
Mesco Mining Limited				4.28
				(61.53)
Mesco Aerospace Limited				1.22
				-
Maithan Ispat Limited				3.46
				(38.50)
21st Century Finance Limited				0.01
				-
Mesco Education And Training Society				0.48
				-
Mesco Hotels Limited				0.06
				-
Mesco Shoes Limited				0.01
				-
<b>Loans and Advances repaid back to Company</b>				
21st Century Finance Limited				0.01
				(1.71)
Forrester Foods Private Limited				-
				(20.08)
Mesco Hotels Limited				0.06
				(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				3.39
				(3.57)
Mesco Steels Limited				39.28
				(8.42)
Mesco Gold Cambodia Limited				-
				(37.35)



Mesco Education And Training Society			0.37
			-
Mesco Shoes Limited			0.01
			-
Mesco Mining Limited			3.54
			-
<b><u>Sale of Asset</u></b>			
Forrester Foods Private Limited			-
			(13.20)
Mideast India Limited			-
			(33.10)
<b><u>Loans and Advances received by Company</u></b>			
Forrester Foods Private Limited			21.03
			-
Mesco Pharmaceuticals Limited			0.36
			-
Mideast India Limited			10.91
			-
Mesco Kalinga Steel Limited			5.60
			-
Mesco Logistocs Limited			0.90
			-
<b><u>Loans and Advances repaid back by Company</u></b>			
Mesco Shoes Limited			-
			(0.76)
Mideast India Limited			10.91
			(35.01)
Mesco Logistocs Limited			0.90
			(25.68)
Mesco Laboratories Limited			-
			(0.01)
Forrester Foods Private Limited			16.03
			-
Mesco Pharmaceuticals Limited			0.36
			-
Mesco Kalinga Steel Limited			6.27
<b><u>Investment in shares</u></b>			
Maithan Ispat Limited		-	-
		-	-
<b><u>Rental Income</u></b>			
Maithan Ispat Limited		-	-
		(1.50)	-
<b><u>Corporate guarantees given</u></b>			
Maithan Ispat Limited		-	-
		-	-
<b><u>Balances outstanding at the end of the year</u></b>			
<b><u>Advances and Debtors</u></b>			
Mesco Steels Limited			2,095.11
			(2,126.79)
Maithan Ispat Limited	431.01		
	(425.66)		
Mesco Aerospace Limited			97.17
			(99.28)
Mesco Mining Limited			182.93
			(182.19)
Mesco Education And Training Society			0.11
			-
Mesco Gold Combodia Limited			8.69
			-
<b><u>Payables</u></b>			
Forrester Foods Private Limited			5.00
			-
Mesco Kalinga Steels Limited			201.95
			(418.04)

\$ 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 28 Disclosures under Accounting Standards (contd.)

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
28.4	<b>Earnings per share</b> <u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year attributable to the equity shareholders (₹ in Mn)	(851.16)	(597.69)
	Weighted average number of equity shares	13,78,75,000	13,78,75,000
	Par value per share (₹)	10	10
	Earnings per share (₹)	(6.17)	(4.34)
	Particulars	As at 31 March, 2021 ₹ in Mn	As at 31 March, 2020 ₹ in Mn
28.5	<b>Deferred tax (liability) / asset</b>		
	<u>Tax effect of items constituting deferred tax liability</u>		
	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)
	<u>Tax effect of items constituting deferred tax assets</u>		
	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
	<b>Net deferred tax (liability) / asset</b>	<b>(739.48)</b>	<b>(739.48)</b>
<b>Note 29</b>	<p>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 &amp; 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 31<sup>st</sup> 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 1<sup>st</sup> January 2018.</p> <p>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. 211 cores including GST till March 2021 <b>under protest</b> towards Compensation amount.</p>		
<b>Note 30</b>	<p>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.</p>		

**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, 2021, 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, 2021, 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 transactions with its related parties, and has a net inter-company receivables, being loans given, amounting to Rs 27.98 crores as at 31<sup>st</sup> March 2021 (Rs 28.22 crores as on 31<sup>st</sup> March 2020), 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, the management has not carried out a detailed impairment assessment as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, 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 (MaithanIspat Limited). The loan balance stands at Rs 16.63 crores as on 31<sup>st</sup> March 2021 (Rs 16.10 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*

- We have not been provided with any loan agreement signed with the Subsidiary.*
- The management has not carried out a detailed impairment assessment of the Subsidiary as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36, even though the subsidiary has its operations suspended since January 2019.*

*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) *Besides the loans as mentioned in point no 1 above, the Company had also given certain advances to its related parties and has debtor based receivables from them. The net inter-company receivables, being debtors and advances given, amount to Rs28 crores as at 31<sup>st</sup> March 2021 (Rs28 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*

- Out of the above, we have not been provided with the minutes of the meetings for the approval of advances / debtors amounting to Rs0.67 crores, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*
- The management has not carried out a detailed impairment assessment of Rs28 crores, as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, 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.*

- 4) *The Company further has an investment of Rs 179.88 crores in its subsidiary, MaithanIspat Limited. Based on the financials of its subsidiary as on 31<sup>st</sup> March 2021, the net worth is completely eroded and is negative at Rs147.50 crores and the liabilities exceed the assets of the subsidiary company by Rs147.50 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.*

- 5) *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. During the year, the Company has paid Rs 164 crores as payment under protest.*

*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 (net of payment made under protest), upto date of the balance sheet, of Rs 489.87 crores, making the total liability provision of Rs1413.87*

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*crores as on 31<sup>st</sup> March 2021 (Rs 1395.47 crores as on 31<sup>st</sup> March 2020). In case the above provision had been made in the books, the loss would stand at Rs 1498.75 crores as on 31<sup>st</sup> March 2021 (Loss would be Rs 1455 crores as on 31<sup>st</sup> March 2020).*

- 6) Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure I attached herewith. Further, we had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure II attached herewith.*
- 7) 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 2021.*
- 8) There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31<sup>st</sup> March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 9) Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 10) In our opinion, a provision for doubtful debts of Rs 45.95 crores (Rs 41.38 crores as on 31<sup>st</sup> March 2020) 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 2021. No litigation has been initiated by the Company on these balances.*

**Other CARO based Qualifications - of the 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 the explanation given to us, the title deeds of immovable properties are held in the name of the company. However, we have not been able to verify the documents of the same.*
- 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 2021.*
  - There is no schedule of repayment of principal and payment of interest that has been stipulated.*
- 4) 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 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.*

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- 5) *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:*

<b>Srn</b>	<b>Bank / Financial Institution</b>	<b>Default Amount</b>	<b>Currency</b>	<b>Default made for the month of</b>
1	SREI Equipment Finance Limited	24,576,600	INR	Entire year
2	BanyanTree Bank Limited (Loan no 0024)	6,25,000	USD	June & December 2020
3	BanyanTree Bank Limited (Loan no 0126)	1,16,666	USD	September 2020 & March 2021
4	BanyanTree Bank Limited (Loan no 0046)	1,16,667	USD	June & December 2020
5	ICICI Bank Limited (Loan no LADEL000306009235)	1,71,798	INR	One month installment not paid
6	ICICI Bank Limited (Loan no LAMUM00034985074)	42,750	INR	One month installment not paid

- 6) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India, undisputed statutory dues in respect of Income Tax and Custom duty, if any, has been deposited with the appropriate authorities, *however the dues with respect to the Provident fund, employees' state insurance and any other employee related liability, Value added tax, Cess, Entry tax and GST has not been deposited since April 2020.*
- 7) *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, 2021 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:*

<b>Sr. No.</b>	<b>Dues pertaining to</b>	<b>Amount (In Crores) March 2021</b>	<b>Amount (In Crores) March 2020</b>	<b>Forum where dispute is pending</b>
1	Excise Duty	129.31	113.17	Various Authorities
2	Service Tax	1.88	1.88	Various Authorities
3	Sales and Entry Tax	27.80	27.80	Various Authorities
4	Income Tax	5.77	5.77	Various Authorities
	<b>Total</b>	<b>164.76</b>	<b>148.62</b>	

**Emphasis of Matter in the audit report of the Holding Company – Mideast Integrated Steels Limited**

- 1) *An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter will be coming for the first time before Kolkata High court.*
- 2) *We draw attention to Note 31 of the financials, which describe Rs 718.89 crores plus interest, 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.*
- 3) *We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.*
- 4) *We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:*

<b>Company</b>	<b>Investment Category</b>	<b>Investment Amount (Amount in Rupees)</b>
<i>Keonjhar Infrastructure Development Company Ltd</i>	<i>Investment in equity shares</i>	<i>70,000</i>
<i>Keonjhar Infrastructure Development Company Ltd</i>	<i>6% Cumulative redeemable preference shares</i>	<i>20,002,000</i>
<i>Mesco Steel Limited</i>	<i>Investment in equity shares</i>	<i>100,000,000</i>

*Our opinion is not modified in respect of the above matters.*

**Qualifications in the audit report of the Subsidiary Company – MaithanIspat Limited**

1. *The total assets of the company stand at Rs670.97 crores (Rs 700.30 crores as on 31st March 2020), and the total liabilities as on 31st March 2021 are Rs818.46 crores (Rs 806.60 crores as on 31st March 2020). The accumulated losses for the company as on 31st March 2021 are Rs931.65 crores (Rs 890.45 crores as on 31st March 2020) and the Net worth is negative Rs147.50 crores (negative Rs 106.31 crores as on 31st March 2020).*

*The plant has been shut down since January 2019 and has not yet started its activities at the end of the reporting year. 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. There is no recovery made from pending debtors, nor any creditors have been paid off. There are no new sales made and the stock of inventory has no movement in it.*

*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. However, subsequent to the year end, we have been informed by the Company that all dues of the banks have been settled. We have also been provided with a letter dated*

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16<sup>th</sup> November 2021, issued by the State Bank of India, stating that the loan accounts of the Company held with the banks have been settled and closed under compromise, sanctioned by the competent authority of individual member banks. Further, the company has also received the consent to operate in October 2021 and has started the procedure for procurement of raw materials for manufacturing.

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 2021.
3. Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure III attached herewith.
4. Upon verification of the banks, loans and fixed deposits balance in books, with the balance confirmations as provided to us by the Company, there have been certain discrepancies, which have not been explained to us nor any reconciliation has been shared with us. Details are as per Annexure IV attached herewith.
5. We had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure V attached herewith.
6. We have received the balance confirmation of the below bank from the Company, however, the same could not be found in the books of accounts of the Company:

Srn	Bank Name	Account Number	Amount as per balance confirmation (Rs)
1	State Bank of India	64170801656	16,40,276

7. The internal audit report, for the year ended 31st March 2021, has not been shared with us
8. Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.
9. There are fixed assets under capital work in progress for the Company, amounting to Rs 46.17 crores as on 31st March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.
10. In our opinion, a provision of Rs 37.05 crores (Rs 37.05 crores in March 2020) 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 31<sup>st</sup> March 2021.
11. We have not been provided with the stock valuation working, nor the stock physical verification report, as on 31<sup>st</sup> March 2021. Hence we are unable to comment on the correctness of the quantity as well as valuation taken as on 31<sup>st</sup> March 2021. The total value of closing stocks is shown at Rs 94.15 crores as on 31<sup>st</sup> March 2021.
12. The below fixed deposit balances as per books of accounts have a credit balance (ie negative balance, instead of a debit balance):

Srn	Bank Name	Category	Location	Closing Amount as per books (Rs)	Remarks
1	Allahabad Bank	FD for LC Margin	Page 112 of 161	19,074	No bank confirmation has been



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					<i>received for this</i>
2	<i>State Bank of India</i>	<i>Fixed Deposit</i>	<i>Kolkata</i>	<i>(87,789,151)</i>	<i>Bank confirmation (received via company) shows NIL amount</i>

13. Further, upon our review of the books of account of the Subsidiary, for the year ended 31<sup>st</sup> March 2021, the effects for the below have not been made in the books:

- a) Provision of Interest expense on all the loans taken by the Company as on the reporting date, as the banks / lenders have declared the Company accounts as NPA. In view of the above the Company has not made provision for interest on such loans though the below banks have made a provision of interest in their loan accounts:

<b>Srn</b>	<b>Bank Name</b>	<b>Account number</b>	<b>Loan Balance as per Books</b>	<b>Loan Balance as per Confirmation received</b>	<b>Difference</b>
1	<i>Punjab National Bank</i>	<i>319000IC00000733</i>	<i>(41,81,28,856)</i>	<i>(54,21,01,404)</i>	<i>12,39,72,548</i>
2	<i>Punjab National Bank</i>	<i>319000IC00001037</i>	<i>(3,12,70,073)</i>	<i>(4,20,35,505)</i>	<i>1,07,65,432</i>
3	<i>Indian Overseas Bank</i>	<i>298703301000002</i>	<i>(1,80,01,562)</i>	<i>(3,60,03,124)</i>	<i>1,80,01,562</i>
4	<i>State Bank of India</i>	<i>Cash Credit - 34843552994</i>	<i>(24,15,52,681)</i>	<i>(26,92,47,767)</i>	<i>2,76,95,086</i>

- b) Provision for expense for the Company as on the reporting date, which includes Salaries & wages, Electricity duty, Gratuity, Leave encashment, Provident Fund Liability, ESIC Liability, Profession Tax, Guest House expenses, any Legal & Professional charges, interest on LC and any other expenses. Consequently, no TDS liability on the above expenses has been created, where applicable.
- c) Interest income on fixed deposits has not been considered by the Company as on the reporting date.

**Emphasis of Matter in the audit report of the Subsidiary Company – MaithanIspat Limited**

1. 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 2021, 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 us by the Company and we have relied on this report. We have not conducted any independent review of the valuation as provided. The interest / dividend due on the above CRPS have been accounted for in the books as on 31st March 2021.
2. We have relied on the list of legal cases and the related contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.

Our opinion is not modified for the above matters.

**Other CARO based Qualifications for Subsidiary Company – MaithanIspat 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 the information and explanation given to us, the title deeds of immovable properties are held in the name of the company. However, we have not been able to verify the documents for the same. Further,

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*certain assets are charged against the loans taken by the Company, and upon non payment of the dues, they have been taken over by the consortium of banks (lenders) as on 31<sup>st</sup> March 2021.*

3. *As per the information provided to us, Inventory has not been physically verified by the management during the year.*
4. *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.*
5. *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, 2021 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:*

<b>Sr. No.</b>	<b>Dues pertaining to</b>	<b>March 2021 - Amount (In Crores)</b>	<b>March 2020 - Amount (In Crores)</b>	<b>Forum where dispute is pending</b>
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
	<b>Total</b>	<b>87.46</b>	<b>87.46</b>	

6. *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 31<sup>st</sup> March 2021. In the absence of any information with respect to the quantum of default, we are not able to ascertain the default amount. However, subsequent to the year end, we have been informed by the Company that all dues of the banks have been settled. We have also been provided with a letter dated 16<sup>th</sup> November 2021, issued by the State Bank of India, stating that the loan accounts of the Company held with the banks have been settled and closed under compromise, sanctioned by the competent authority of individual member banks.*

**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

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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.
  - 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, 2021 of the Group, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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 financial reporting however they need to be strengthened, as at March 31, 2021, 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.

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- 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 : 6th December, 2021

Place: Mumbai

UDIN:

**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 31<sup>ST</sup> MARCH 2021**

***In the books of Holding Company – Mideast Integrated Steels Limited***

***Details for Qualification in the Audit report – Point no 6:***

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

***Bank and Fixed Deposit balances:***

<b><i>Srn</i></b>	<b><i>Particulars</i></b>	<b><i>Closing Amount as per books (Rs)</i></b>
<b><i>1</i></b>	<b><i>Fixed deposit with Central Bank (For High Court matters)</i></b>	<b><i>14,95,000</i></b>
<b><i>2</i></b>	<b><i>ICICI Bank Limited, Paradeep, Account number 077605003764</i></b>	<b><i>2,404</i></b>

***Loans by Banks & Other financial institutions:***

<b><i>Srn</i></b>	<b><i>Particulars</i></b>	<b><i>Closing Amount as per books (Rs)</i></b>
<b><i>1</i></b>	<b><i>BanyanTree Bank Limited (Foreign currency loan)</i></b>	<b><i>(122,437,945)</i></b>
<b><i>2</i></b>	<b><i>SREI Equipment Finance Ltd</i></b>	<b><i>(36,714,320)</i></b>

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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 31<sup>ST</sup> MARCH 2021**

***In the books of Holding Company – Mideast Integrated Steels Limited***

***Details for Qualification in the Audit report – Point no 6:***

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

**Bank balances:**

<b><i>Srn</i></b>	<b><i>Bank Name</i></b>	<b><i>Location</i></b>	<b><i>Balance as per Bank Confirmation</i></b>	<b><i>Balance Confirmation received</i></b>
1	Central Bank Of India A/c 3096464776	BBSR	11,788	Via Company
2	Punjab National Bank A/c 0553002100027876	BBSR	44,248,485	Via Company
3	Central Bank Of India A/c 3078895874	Bhopal	49,158	Via Company
4	Uco Bank A/c 20990210000038	Rewa	4,657	Via Company
5	Bank Of Baroda A/c 19720200000744	Katni	-	Via Company
6	Punjab National Bank A/c 0553002100031037	BBSR	6,68,343	Via Company
7	ICICI Bank Limited A/c 064005001275	Mines	3,16,330	Via Company
8	ICICI Bank Limited A/c 001105024156	Mumbai	-	Via Company
9	Central Bank Of India A/c 1010872701	Delhi	24,062	Via Company
10	ICICI Bank Limited A/c 001105024789	Delhi	25,001,092	Via Company
11	Bank Of Baroda A/c 00290200001372	Kolkata	4,645	Via Company
12	Uco Bank A/c 17840210002803	Kolkata	1,36,466	Via Company
13	State Bank Of India A/c 34137715376	Kolkata	-	Via Company

**Fixed Deposit balances:**

<b><i>Srn</i></b>	<b><i>Bank Name</i></b>	<b><i>Location</i></b>	<b><i>Balance as per Bank Confirmation</i></b>	<b><i>Balance Confirmation received</i></b>
1	Central Bank (FD Number 3706579073)	BBSR	6,15,000	Via Company

**Loans by Banks:**

<b><i>Srn</i></b>	<b><i>Bank Name</i></b>	<b><i>Location</i></b>	<b><i>Balance as per Bank Confirmation</i></b>	<b><i>Balance Confirmation received</i></b>
1	ICICI BANK Vehicle Loan A/c No - KFBBS00036585789	BBSR	-	Via Company



**ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31<sup>ST</sup> MARCH 2021**

*In the books of Subsidiary Company – MaithanIspat Limited*

**Details for Qualification in the Audit report – Point no 3:**

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

**Bank Balance Confirmations:**

<i>Srn</i>	<i>Bank Name</i>	<i>Account number</i>	<i>Location</i>	<i>Closing Amount as per books (Rs)</i>
1	State Bank of India	34945767143	Jajpur	30,03,327
2	ICICI Bank Limited	150005005153	Bhubaneswar	(3,630)

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

<i>Srn</i>	<i>Bank Name</i>	<i>Category</i>	<i>Location</i>	<i>Closing Amount as per books (Rs)</i>
1	Allahabad Bank	FD for BG Margin	Kolkata	78,96,000
2	Allahabad Bank	FD for LC Margin	Kolkata	(68,19,074)*
3	Punjab National Bank	FD for BG Margin	Kolkata	44,40,000
4	Punjab National Bank	FD for LC Margin	Kolkata	15,155,450
5	State Bank of India	Fixed Deposit	Bhubaneswar	2,35,435
6	State Bank of India	Fixed Deposit	Jajpur	50,000

\* Fixed deposit for LC Margin has a negative balance as per books of accounts.

**Secured Loans by Banks:**

<i>Srn</i>	<i>Bank Name</i>	<i>Account number</i>	<i>Closing Amount as per books (Rs)</i>
1	Bank of India	404865410000032	(26,756,581)
2	Bank of India	404865410000028	(350,561,229)
3	Bank of Baroda	290600001587	(213,114,593)
4	Bank of Baroda	290600001973	(459,900,000)
5	Bank of Baroda	290600001974	(15,805,664)
6	SBM	333051170008	(262,300,000)
7	Allahabad Bank	Cash Credit 50274230155	(302,411,813)
8	Punjab National Bank	Cash Credit 3190008700002785	(453,429,914)

**ANNEXURE IV TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31<sup>ST</sup> MARCH 2021**

*In the books of Subsidiary Company – MaithanIspat Limited*

**Details for Qualification in the Audit report – Point no 4:**

**Details of Banks, fixed deposits and loans where there have been certain discrepancies between the balance confirmations provided to us for verification and the balance as per books of accounts:**

**Bank Balance Confirmations:**

*Amount in Rupees*

<i>Srn</i>	<i>Bank Name</i>	<i>Account number</i>	<i>Location</i>	<i>Balance as per Books</i>	<i>Balance as per Confirmation received</i>	<i>Difference</i>	<i>Remarks</i>
1	State Bank of India	32074804544	Kolkata	68,898	5,338	63,560	Account has been closed in Aug 21
2	State Bank of India	32074800695	Kolkata	80,083,817	57,138	80,026,679	Account has been closed in Aug 21

**Fixed Deposits:**

*Amount in Rupees*

<i>Srn</i>	<i>Bank Name</i>	<i>Category</i>	<i>Location</i>	<i>Balance as per Books</i>	<i>Balance as per Confirmation received</i>	<i>Difference</i>	<i>Remarks</i>
1	State Bank of India	FD for LC Margin	Kolkata	67,764,662	-	67,764,662	
2	State Bank of India	Fixed Deposit	Kolkata	(87,789,151)	-	(87,789,151)	FD balance is a credit balance in books
3	State Bank of India	FD for BG Margin	Kolkata	23,99,500	-	23,99,500	

**Secured Bank Loans:**

*Amount in Rupees*

<i>Srn</i>	<i>Bank Name</i>	<i>Account number</i>	<i>Balance as per Books</i>	<i>Balance as per Confirmation recd</i>	<i>Difference</i>
1	Punjab National Bank	319000IC00000733	(418,128,856)	(54,2101,404)	123,972,548
2	Punjab National Bank	319000IC00001037	(31,270,073)	(4,2035,505)	10,765,432
3	Indian Overseas Bank	262403281500001	(486,795,584)	(46,8674,116)	(18,121,468)
4	Indian Overseas Bank	298703301000002	(18,001,562)	(3,6003,124)	18,001,562
5	Oriental Bank of Commerce (Now Punjab National Bank)	01717021000078	(447,448,228)	-	(447,448,228)

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6	<i>Oriental Bank of Commerce (Now Punjab National Bank)</i>	1717025002378	(19,297,673)	-	(19,297,673)
7	<i>State Bank of India</i>	Cash Credit - 34843552994	(241,552,681)	(269,247,767)	27,695,086
8	<i>Allahabad Bank (Now Indian Bank)</i>	50274153112	(210,975,404)	(206,778,824)	(41,96,580)
9	<i>Allahabad Bank (Now Indian Bank)</i>	50353888241	(55,361,497)	(52,380,746)	(29,80,751)

**ANNEXURE V TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S MIDEAST INTEGRATED STEELS LIMITED AS ON 31<sup>ST</sup> MARCH 2021**

*In the books of Subsidiary Company – MaithanIspat Limited*

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

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

**Bank balances:**

<b>Srn</b>	<b>Bank Name</b>	<b>Location</b>	<b>Amount in Rsas per Balance Confrecd</b>	<b>Balance Confirmation received</b>
1	<i>State Bank Of India A/c 34945774025</i>	<i>Paradip</i>	54,431	<i>Via Company</i>
2	<i>State Bank Of India A/c 32074804544</i>	<i>Kolkata</i>	5,338	<i>Via Company</i>
3	<i>State Bank Of India A/c 32054120884</i>	<i>Kolkata</i>	6,402	<i>Via Company</i>
4	<i>State Bank Of India A/c 30018854291</i>	<i>Kolkata</i>	2,29,660	<i>Via Company</i>
5	<i>State Bank Of India A/c 32074800695</i>	<i>Kolkata</i>	57,138	<i>Via Company</i>
6	<i>State Bank Of India A/c 35242478674</i>	<i>Kolkata</i>	56,138	<i>Via Company</i>
7	<i>State Bank Of India A/c 32074802988</i>	<i>Kolkata</i>	-	<i>Via Company</i>
8	<i>State Bank Of India A/c 38260239358</i>	<i>Jajpur</i>	5,460	<i>Via Company</i>

**Fixed Deposit balances:**

<b>Srn</b>	<b>Bank Name</b>	<b>Location</b>	<b>Amount in Rsas per Balance Confrecd</b>	<b>Balance Confirmation received</b>
1	<i>State Bank of India (BG Margin FD)</i>	<i>Kolkata</i>	-	<i>Via Company</i>
2	<i>State Bank of India (LC Margin FD)</i>	<i>Kolkata</i>	-	<i>Via Company</i>
3	<i>State Bank of India (FD)</i>	<i>Kolkata</i>	-	<i>Via Company</i>

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**Secured Bank Loans:**

<b>Srn</b>	<b>Bank Name</b>	<b>Loan A/c no</b>	<b>Amount in Rsas per Balance Conf received</b>	<b>Balance Confirmation received</b>
1	State Bank of India	34843736459	(665,600,000)	Via Company
2	State Bank of India	35662193545	(20,782,989)	Via Company
3	State Bank of India (Cash credit)	34843552994	(269,247,767)	Via Company
4	State Bank of India	64170801656	(16,40,276)	Via Company
5	Bank of Baroda	290600001586	(72,66,600)	Via Company
6	Punjab National Bank	319000IC00000733	(542,101,404)	Via Company
7	Punjab National Bank	319000IC00001037	(42,035,505)	Via Company
8	Allahabad Bank- (Now Indian Bank)	50353888241	(52,380,746)	Via Company
9	Allahabad Bank- (Now Indian Bank)	50274153112	(206,778,824)	Via Company
10	Indian Overseas Bank	262403281500001	(468,674,116)	Via Company
11	Indian Overseas Bank	298703301000002	(36,003,124)	Via Company
12	Oriental Bank of Commerce (Now Punjab National Bank)	01717021000078	-	Via Company
13	Oriental Bank of Commerce (Now Punjab National Bank)	01717025002378	-	Via Company

**Mideast Integrated Steels Limited**  
**Consolidated Balance Sheet as at 31 March, 2021**

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
		₹ in Mn	₹ in Mn
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	10,370.18	11,045.80
Capital work-in-progress		706.35	706.35
Non current investments	4	120.10	120.10
Financial assets			
Security deposits	5	103.11	113.49
Other financial assets	6	2,369.02	2,408.26
Other non current assets	7	1,098.08	1,118.09
Deferred tax assets (Subsidiary)		1,398.05	1,398.05
<b>Current assets</b>			
Inventories	8	1,673.30	1,864.39
Financial assets			
Trade receivables	9	364.40	413.16
Cash and cash equivalents	10	253.85	277.50
Advances	11	298.53	678.90
Other financial assets	12	363.40	456.45
		<b>19,118.36</b>	<b>20,600.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,378.75	1,378.75
Other equity	14		
Securities premium		677.70	677.70
Retained earnings		(2,638.98)	(1,383.27)
Other reserves		1,642.61	1,642.61
Equity attributable to equity shareholders of parent		<b>1,060.08</b>	<b>2,315.79</b>
Non controlling interest		1,265.02	1,133.30
<b>Total equity</b>		<b>2,325.10</b>	<b>3,449.09</b>
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	15	3,441.91	3,473.28
Other financial liabilities	16	4,983.39	4,997.76
Deferred tax liabilities (net)	28.5	739.48	739.48
Employee benefit obligations	17	77.88	69.52
Capital reserves on Consolidation		938.64	927.14
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	18	2,878.52	3,348.82
Other financial liabilities	19	3,716.53	3,580.84
Employee benefit obligations	20	16.92	14.60
		<b>19,118.36</b>	<b>20,600.52</b>
<b>Notes forming part of the financial statements</b>	<b>1 - 38</b>		

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:**

**Natasha Sinha**  
Joint MD  
DIN 00812380

**Rita Singh**  
CMD  
DIN 00082263

Place : New Delhi  
Date :

**Manas Pahi**  
CFO

**Priyanka Chugh**  
Company Secretary

**Mideast Integrated Steels Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March, 2021**

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2021	31 March, 2020
		₹ in Mn	
Revenue from operations (Gross)	21	2,028.11	4,749.82
Total revenue		<b>2,028.11</b>	<b>4,749.82</b>
<b>Expenses</b>			
Cost of materials consumed	22a	-	3,556.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22b	199.39	132.86
GST on sales	21	105.90	720.49
Employee benefit expenses	23	116.88	274.07
Other expenses	24	2,083.46	552.09
<b>Total expenses</b>		<b>2,505.63</b>	<b>5,236.43</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(477.52)</b>	<b>(486.61)</b>
<b>Less:</b>			
Depreciation and amortisation expenses	3	675.64	822.78
Finance costs	25	159.14	106.25
<b>Add:</b>			
Other income (Net)	26	69.37	478.94
<b>Profit before extraordinary items, exceptional items and Prior Period Items and tax</b>		<b>(1,242.93)</b>	<b>(936.68)</b>
Exceptional/Extraordinary items		-	-
<b>Profit before tax</b>		<b>(1,242.93)</b>	<b>(936.68)</b>
<b>Tax expenses:</b>			
Current tax net of MAT		-	-
Tax expense relating to prior years		20.00	60.00
Deferred tax		-	-
<b>Profit for the year</b>		<b>-1,262.93</b>	<b>-996.68</b>
<b>Other Comprehensive Income:</b>			
<b>Not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/ (losses) on defined benefit plans		2.18	0.49
Less: Income tax effect		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>2.18</b>	<b>0.49</b>
<b>Total Comprehensive income</b>		<b>-1,260.75</b>	<b>-996.19</b>
<b>MISL</b>		<b>-1,255.71</b>	<b>-992.20</b>
<b>MI</b>		<b>-5.04</b>	<b>-3.98</b>
<b>Earnings per Equity share (₹ 10/- each)</b>			
Basic & Diluted (₹)		-9.16	-7.24
<b>Notes forming part of the financial statements</b>	<b>1 - 38</b>		

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:**

**Natasha Sinha**

Joint MD

DIN 00812380

**Rita Singh**

CMD

DIN 00812380

Place : New Delhi

Date :

Manas Pahi

CFO

**Priyanka Chugh**  
Company Secretary

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**Mideast Integrated Steels Limited**  
**Cash Flow Statement for the year ended 31 March, 2021**

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		-1,242.93		-936.68
Adjustments for				
Depreciation and amortisation	675.64		822.78	
Finance costs	159.14		39.52	
Interest income	(7.77)		-5.71	
Rental income	-0.91		-42.03	
Liabilities / provisions no longer required written back	-12.42		-416.11	
Net unrealised exchange (gain) / loss	-18.67		50.67	
		795.00		449.12
Operating profit / (loss) before working capital changes		-447.93		-487.56
Adjustments for (increase) / decrease in operating assets				
Inventories	191.09		240.19	
Trade receivables	48.76		146.82	
Short-term loans and advances	380.37		(120.36)	
Long-term loans and advances	39.24		(42.56)	
Other non-current assets	30.39		60.00	
Other current assets	93.05		(20.11)	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(461.42)		(673.70)	
Other current liabilities	-		-	
Other long-term liabilities	(14.37)		(39.51)	
Short-term provisions	2.32		-0.08	
Long-term provisions	8.35		-4.68	
		317.79		(454.00)
Cash generated from operations		-130.13		(941.56)
Net income tax (paid) / refunds			-55.97	
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>-130.13</b>		<b>(997.53)</b>
<b>B. Cash flow from investing activities</b>				
Purchase/Sale of fixed assets including capital advance	0.01		(4.06)	
Investment in subsidiaries and joint ventures	-0.00		0.00	
Rental receipt	0.91		42.03	
Interest received	7.77		5.81	
(Investment in fixed deposit/Proceeds from fixed deposits)	183.59		306.56	
		192.28		350.34
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>192.28</b>		<b>350.34</b>
<b>C. Cash flow from financing activities</b>				
Proceeds/(Repayment) of borrowings	-		300.32	
Finance cost	(159.14)		(33.69)	
		(159.14)		266.63
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(159.14)</b>		<b>266.63</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>-96.99</b>		<b>-380.56</b>
Cash and cash equivalents at the beginning of the year		122.99		503.55
<b>Cash and cash equivalents at the end of the year</b>		<b>25.99</b>		<b>122.99</b>

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

-227.86

277.50

As per our report of even date

-154.51

**For Arun Todarwal & Associates LLP**

**For and on behalf of the Board of Directors**

**Chartered Accountants**

ICAI Reg No. W100291

**Arun Todarwal**

Partner

M No. 32822

**UDIN:**

Place : New Delhi

Date :

**Natasha Sinha**

Joint MD

DIN 00812380

**Rita Singh**

CMD

DIN 00082263

**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.:

<b>Class of assets</b>	<b>Years</b>
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

## **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, 2020	Additions	Deductions	As at March 31, 2021	As at March 31, 2020	During the year	Deductions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Land (Free hold)	4.55			4.55	-			-	4.55	4.55
Land and Site Development	1,014.42			1,014.42	674.19	6.04		680.23	340.23	334.20
Building	2,472.93			2,472.93	858.17	84.72		942.89	1,614.76	1,530.05
Plant and Machinery	15,900.94			15,900.94	7,226.85	524.17		7,751.02	8,674.09	8,149.93
Furniture and Fixtures	180.32			180.32	149.44	7.10		156.54	30.88	23.79
Office Equipment	39.52	0.01		39.53	33.54	2.22		35.76	5.98	3.78
Computer	97.04			97.04	93.49	0.46		93.95	3.55	3.10
Vehicles	78.60			78.60	59.89	5.37		65.26	18.71	13.35
V Sat	0.82			0.82	0.82	-		0.82	-	-
Railway Siding	683.14			683.14	331.18	45.58		376.76	351.96	306.39
<b>Total</b>	<b>20,473.17</b>	<b>0.01</b>	<b>-</b>	<b>20,473.18</b>	<b>9,427.57</b>	<b>675.64</b>	<b>-</b>	<b>10,103.22</b>	<b>11,044.72</b>	<b>10,370.18</b>
<b>Previous Year</b>	<b>20,544.18</b>	<b>1.17</b>	<b>73.08</b>	<b>20,472.27</b>	<b>8,620.07</b>	<b>822.78</b>	<b>15.29</b>	<b>9,427.56</b>	<b>11,925.35</b>	<b>11,045.80</b>

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

**Note 4 Non current investments**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Investments (At cost)		
Trade and Unquoted		
a. Investment in equity shares		
<u>Subsidiaries</u>		
Maithan Ispat Limited *	-0.00	-
32,38,26,010 (PY - 32,38,26,010) equity shares of rupees 10 each fully paid up		
<u>Others</u>		
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		
<u>Subsidiaries</u>		
Maithan Ispat Limited	-	-
30,000,000 (PY - 30,000,000) 10% cumulative redeemable preference shares of rupees 10 each fully paid up		
<u>Others</u>		
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		
2,600 (2600) Equity Shares of Rs 10/- each fully paid in M.M Areo Space Pvt Ltd	0.03	0.03
<b>Total</b>	<b>120.10</b>	<b>120.10</b>

\* 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, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Security deposits		
Unsecured, considered good	103.11	113.49
<b>Total</b>	<b>103.11</b>	<b>113.49</b>

**Note 6 Other financial assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Loans and advances to related parties		
Unsecured, considered good	2,369.02	2,408.26
<b>Total</b>	<b>2,369.02</b>	<b>2,408.26</b>

**Note 7 Other non current assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Capital Advances		
Unsecured, considered good	265.94	265.95
MAT credit entitlement		
Unsecured, considered good	792.32	812.32
Advances to Other Parties	13.54	13.54
Indirect tax recoverable	23.33	23.33
Advance Income Tax of prior years	2.95	2.95
<b>Total</b>	<b>1,098.08</b>	<b>1,118.09</b>

**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, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Raw materials	36.32	36.32
Finished goods	823.69	1,014.78
Stores and spares	371.91	371.91
By products	441.38	441.38
<b>Total</b>	<b>1,673.30</b>	<b>1,864.39</b>

**Note 9 Trade receivables**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	355.96	80.74
Other Trade receivables		
Unsecured, considered good	8.44	332.41
<b>Total</b>	<b>364.40</b>	<b>413.16</b>

**Note 10 Cash and cash equivalents**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Cash and cash equivalents		
Cash on hand	2.24	31.66
Balances with banks		
In current accounts	132.56	87.70
In deposit accounts	7.65	3.63
In deposit accounts *	63.02	98.23
In earmarked accounts		
- Unclaimed dividend accounts	25.00	39.14
Interest on Bank Deposits	23.38	17.13
<b>Total</b>	<b>253.85</b>	<b>277.50</b>

\* 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, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Loans and advances to Suppliers		
Unsecured, considered good	288.78	667.77
Loans and advances to employees		
Unsecured, considered good	9.75	11.13
<b>Total</b>	<b>298.53</b>	<b>678.90</b>

**Note 12 Other financial assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Prepaid expenses		
Unsecured, considered good	0.11	3.05
Balances with government authorities		
Unsecured, considered good	140.14	140.59
Income Tax (Net of Provisions)	160.02	158.66
Others Receivables		
Unsecured, considered good	29.93	120.96
Interest on Security Deposits	33.20	33.20
<b>Total</b>	<b>363.40</b>	<b>456.45</b>



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

**Note 13 Equity share capital**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ 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
<b>Total</b>	<b>1,378.75</b>	<b>1,378.75</b>

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

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	₹ in Mn	No. of shares	₹ in Mn
<b>Equity Shares</b>				
Opening Balance	13,78,75,000	1,378.75	13,78,75,000	1,378.75
Changes during the year	-	-	-	-
<b>Closing Balance</b>	<b>13,78,75,000</b>	<b>1,378.75</b>	<b>13,78,75,000</b>	<b>1,378.75</b>

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

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	%	No. of shares	%
<b>Equity Shares</b>				
Mideast (India) Limited	3,25,49,940	23.61	3,25,49,940	23.61
Mesco Mining Limited	1,70,00,000	12.33	1,70,00,000	12.33
Moorgate Industries India Private Limited	1,37,87,500	10.00	1,37,87,500	10.00
Mesco Steels Limited	1,31,46,800	9.54	1,31,46,800	9.54
Mesco Logistics Limited	1,21,51,700	8.81	1,21,51,700	8.81
Mesco Kalinga Steels Limited	1,00,00,000	7.25	1,00,00,000	7.25
<b>Total</b>	<b>9,86,35,940</b>	<b>71.54</b>	<b>9,86,35,940</b>	<b>71.54</b>

**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, 2021	As at 31 March, 2020
	₹ 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	(1,383.27)	(391.07)
Add: Profit / (Loss) for the year	(1,255.71)	(992.20)
Closing balance	(2,638.98)	(1,383.27)
<b>Total</b>	<b>(318.67)</b>	<b>937.04</b>

**Note 15 Borrowings**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
Term loans from Banks (Refer note 1)	3,153.63	1,560.57	5.45	1,580.41
Term loans from Other Parties (Refer note 1)	-	36.71	3,170.50	18.99
	<b>3,153.63</b>	<b>1,597.29</b>	<b>3,175.95</b>	<b>1,599.40</b>
<b>Unsecured</b>				
From Promoters	279.74	-	279.74	-
From Banks (Refer note 2)	8.54	113.90	17.59	108.49
	<b>288.28</b>	<b>113.90</b>	<b>297.33</b>	<b>108.49</b>
<b>Total</b>	<b>3,441.91</b>	<b>1,711.20</b>	<b>3,473.28</b>	<b>1,707.91</b>

**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, 2021		As at 31 March, 2020	
		Non-Current	Current	Non-Current	Current
		₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
<b>Term loans from banks</b>					
ICICI Bank Limited	Vehicle loan of ₹ 0.46 Mn (PY ₹ 0.78 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 8.	-	0.46	0.33	0.45
ICICI Bank Limited	Vehicle loan of ₹ 0 Mn (PY ₹ 0.17 Mn) are secured by first charge by way of hypothecation of the respective vehicles.	-	-	-	0.17
ICICI Bank Limited	Vehicle loan of ₹ 0 Mn (PY ₹ 0.10 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 6.	-	-	-	0.10
ICICI Bank Limited	Vehicle loan of ₹ 1.18 Mn (PY ₹ 2.56 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 7.	-	1.18	0.64	1.92
ICICI Bank Limited	Vehicle loan of ₹ 0 Mn (PY ₹ 0.02 Mn) are secured by first charge by way of hypothecation of the respective vehicles.	-	-	-	0.02
ICICI Bank Limited	Vehicle loan of ₹ 1.68 Mn (PY ₹ 2.46 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 15.	0.29	1.39	1.31	1.16
ICICI Bank Limited	Vehicle loan of ₹ 1.46 Mn (PY ₹ 2.11 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 17.	0.39	1.07	1.12	0.99
ICICI Bank Limited	Vehicle loan of ₹ 1.48 Mn (PY ₹ 2.13 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 16.	0.40	1.08	1.14	0.99
ICICI Bank Limited	Vehicle loan of ₹ 1.18 Mn (PY ₹ 1.70 Mn) are secured by first charge by way of hypothecation of the respective vehicles. Number of balance EMI payable is 15.	0.21	0.97	0.91	0.79
<b>Total - Term loans from banks</b>		<b>1.29</b>	<b>6.15</b>	<b>5.45</b>	<b>6.59</b>

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

<b>Term loans from other parties:</b>					
Srei Equipment Finance Limited	Equipment loan of ₹ 36.17 Mn (PY ₹ 37.19 Mn) are secured by first charge by way of hypothecation of the respective equipment.		36.71	18.22	18.99
<b>Total - Term loans from other parties</b>			<b>36.71</b>	<b>18.22</b>	<b>18.99</b>

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

Particulars	Terms of repayment	As at 31 March, 2021		As at 31 March, 2020	
		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.	-	68.63	-	70.67
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD 0.21 Mn (PY USD 0.335 Mn) is payable in 12 installments.	-	15.37	-	15.83
Banyantree Bank Ltd, Mauritius	External Commercial Borrowing (ECB) of USD 0.53 Mn (PY USD 0.7 Mn) is payable in 12 installments.	8.54	29.89	17.59	21.99
<b>Total long term borrowings</b>		<b>8.54</b>	<b>113.90</b>	<b>17.59</b>	<b>108.49</b>

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

**Note 16 Other financial liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Advances from customers	4,983.39	4,997.76
	-	
<b>Total</b>	<b>4,983.39</b>	<b>4,997.76</b>

**Note 17 Employee benefit obligations**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	65.43	58.62
Provision for leave encashment	12.44	10.90
<b>Total</b>	<b>77.88</b>	<b>69.52</b>

**Note 18 Trade payables**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Micro, Small & Medium enterprises	8.18	8.18
Others	2,870.34	3,340.64
<b>Total</b>	<b>2,878.52</b>	<b>3,348.82</b>

**Note 19 Other financial liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Current maturities of long-term debt	1,711.20	1,707.91
Interest accrued and due on borrowings	11.30	2.84
Unclaimed dividends	25.00	39.14
Statutory Dues	1,310.24	1,321.73
Trade / security deposits received	31.08	31.08
Advances from customers	597.86	436.67
Employee related liabilities	29.84	41.45
<b>Total</b>	<b>3,716.53</b>	<b>3,580.84</b>

**Note 20 Employee benefit obligations**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Provision for employee benefits		
Provision for gratuity	10.81	8.54
Provision for leave encashment	6.11	6.06
<b>Total</b>	<b>16.92</b>	<b>14.60</b>

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

**Note 21 Revenue from operations**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Sale of products	2,028.11	4,749.82
Less: GST on sales	105.90	720.49
<b>Total</b>	<b>1,922.21</b>	<b>4,029.33</b>

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Sale of products comprises		
Plant-Manufactured Goods	40.69	3,798.30
Plant-Traded Goods	45.76	222.47
Mines	1,835.75	-
Others		8.56
<b>Total</b>	<b>1,922.21</b>	<b>4,029.33</b>

**Note 22a Cost of materials consumed**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Opening stock	17.54	155.04
Add: Purchases	-0.00	3,415.07
Less: Closing stock	17.54	17.54
<b>Cost of material consumed</b>	<b>-</b>	<b>3,556.92</b>

**Note 22b Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
<u>Inventories at the end of the year</u>		
Finished goods	823.69	1,014.78
By-products	441.38	441.38
	1,265.07	1,456.16
<u>Inventories at the beginning of the year</u>		
Finished goods	1,014.78	1,118.55
By-products	441.38	452.95
	1,456.16	1,571.50
Less: Excise duties on increase / (decrease) of finished goods	8.30	17.52
<b>Net increase / (decrease)</b>	<b>-199.39</b>	<b>-132.86</b>

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

**Note 23 Employee benefits expenses**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Salaries and wages	103.76	261.37
Contributions to provident and other funds	0.92	10.25
Provision for gratuity	9.09	(2.57)
Provision for leave	1.60	0.12
Staff welfare expenses	1.52	4.90
<b>Total</b>	<b>116.88</b>	<b>274.07</b>

**Note 24 Other expenses**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Consumption of stores and spare parts	6.06	82.78
Royalty cost	352.36	18.00
Mining cost	16.52	-
Power and fuel	6.63	107.83
Water charges	7.62	13.95
Material handling Charges	0.12	8.43
Rent	4.57	20.99
Repairs and maintenance - Buildings	7.75	3.36
Repairs and maintenance - Machinery	0.05	6.43
Repairs and maintenance - Others	1.25	38.88
Labour charges		33.58
Insurance	1.86	19.18
Rates and taxes	1.67	4.38
Communication	1.25	2.13
Travelling and conveyance	5.31	26.56
Selling & distribution	3.57	10.39
Donations and contributions	0.06	17.13
Legal and professional	13.21	42.80
Net loss on foreign currency transactions and translation	-	50.67
Payments to auditors (Refer Note below)	2.00	2.00
CSR expenses	0.01	0.53
Miscellaneous expenses	11.46	42.09
Compensation on material	1,640.15	-
<b>Total</b>	<b>2,083.46</b>	<b>552.09</b>

**Note**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Payments to the auditors comprises		
For statutory audit	1.00	1.65
For Taxation Matters	-	0.04
<b>Total</b>	<b>1.00</b>	<b>1.69</b>

**Note 25 Finance costs**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Interest expense on		
Borrowings	9.79	36.20
Interest on delayed / deferred payment of statutory dues	0.23	0.68
Other borrowing cost	0.82	6.34
Finance Cost on fair valuation	148.29	63.02
<b>Total</b>	<b>159.14</b>	<b>106.25</b>

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

**Note 26 Other income**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Interest income (Refer Note below)	7.77	5.71
Rental Income	0.91	40.53
Liabilities / provisions no longer required written back	12.42	392.44
Others	29.60	40.27
Net gain on foreign currency transactions and translation	18.67	
<b>Total</b>	<b>69.37</b>	<b>478.94</b>

**Note**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
Interest income comprises		
Interest from banks deposits	7.77	5.54
<b>Total</b>	<b>7.77</b>	<b>5.54</b>

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

**Note 27 Additional information to the financial statements**

	Particulars	As at 31 March, 2021	As at 31 March, 2020
		₹ in Mn	₹ in Mn
27.1	<b>Contingent liabilities (to the extent not provided for)</b>		
	(a) Claims against the company not acknowledged as debt		
	(i) Central excise, customs and service tax	1,150.53	1,150.53
	(ii) Sales tax and entry tax	278.00	278.00
	(iii) Income Tax	57.76	57.76
	(b) Guarantee provided in respect of obligations of a subsidiary	7,829.50	7,829.50
27.2	<b>Capital Commitments</b>		
	Particulars	As at 31 March, 2021	As at 31 March, 2020
		₹ 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
27.3	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
	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.		
27.4	<b>Details on unhedged foreign currency exposures</b>		
	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below		
		<b>As on 31st March 2021</b>	<b>As on 31st March 2020</b>
		Receivable /(Payable) ₹ in Mn	Receivable /(Payable) ₹ in Mn
		Receivable /(Payable) USD in Mn	Receivable /(Payable) USD in Mn
		(635.65)	(8.68)
		(645.78)	(8.57)
27.5	<b>Value of imports calculated on CIF basis</b>		
	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		₹ in Mn	₹ in Mn
	Raw materials	-	-
	Spare parts	-	-
	Capital goods	-	-
27.6	<u>Expenditure in foreign currency</u>		
	Interest	-	3.97
	Travelling	-	9.21
	Consultancy	-	-



Note 27 Additional information to the financial statements (contd.)

27.7	<b>Details of consumption of imported and indigenous items</b>		
	<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	
		<b>₹ in Mn</b>	<b>%</b>
	<u>Imported</u>		
	Raw Materials	-	-
	Spare parts	-	-
	<u>Indigenous</u>		
	Raw materials	-	-
	Spare parts	-	-
	<b>Total</b>	-	-
	Note: Previous year figures are NIL		
27.8	<b>Earnings in foreign exchange</b>		
	<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
		<b>₹ in Mn</b>	<b>₹ in Mn</b>
	Export of goods calculated on FOB basis	-	6.70

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

**Note 28 Disclosures under Accounting Standards**

28.1	<b>Post retirement benefit plans</b>		
28.1a	<u>Defined contribution plans</u>	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 ₹ 0.92 Mn (PY - ₹ 10.25 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	<u>Defined benefit plans</u>	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.	
	<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
		<b>Gratuity</b>	<b>Gratuity</b>
		<b>₹ in Mn</b>	
	<b>Components of employer expense</b>		
	Current service cost	4.76	5.04
	Interest cost	3.81	4.50
	Past service cost	-	-
	Actuarial losses/(gains)	1.23	(12.10)
	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>9.80</b>	<b>(2.57)</b>
	<b>Actual contribution and benefit payments for year</b>		
	Actual benefit payments	0.71	0.53
	Actual contributions	-	-
	<b>Net asset / (liability) recognised in the Balance Sheet</b>		
	Present value of defined benefit obligation	67.15	(58.07)
	Fair value of plan assets	-	-
	Funded status [Surplus / (Deficit)]	-	-
	Unrecognised past service costs	-	-
	<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>67.15</b>	<b>(58.07)</b>
	<b>Change in defined benefit obligations (DBO) during the year</b>		
	Present value of DBO at beginning of the year	58.07	62.10
	Current service cost	4.76	5.04
	Interest cost	3.81	4.50
	Actuarial (gains) / losses	1.23	(12.10)
	Past service cost	-	-
	Benefits paid	(0.71)	(1.46)
	<b>Present value of DBO at the end of the year</b>	<b>67.15</b>	<b>58.07</b>
	<b>Actuarial assumptions</b>		
	Discount rate	6.45%	6.80%
	Salary escalation	6%	6%
	Mortality tables	IALM(2012-14) Ult	IALM(2012-14) Ult
28.2	<b>Segment information</b>		
	The Company's business activity primarily 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 28 Disclosures under Accounting Standards (contd.)**

**Related party transactions**

**Details of related parties**

Note	Description of relationship	Names of related parties
28.3a	Subsidiaries Key Management Personnel (KMP) Relatives of KMP	Maithan Ispat Limited Mrs. Rita Singh (Chairperson cum Managing Director) Mrs. Natasha Singh Sinha (Joint Managing Director)) Mr. Sandeep Agarwal (Company Secretary)* Ms. Priyanka Chug (Company Secretary)** 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. Sandeep Agarwal ceases to be Company Secretary from 11 <sup>th</sup> May 2020. ** Ms. Priyanka Chug has been appointed as Company Secretary since 11 <sup>th</sup> September 2020.	

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

**Note 28 Disclosures under Accounting Standards (contd.)**

₹ in Mn

Note	Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:				
28.3b	Transaction during the year	Subsidiary	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
	<u>Rentals services</u>				
	Mesco Steels Limited				- (0.28)
	Mesco Logistics Limited				- (0.47)
	Mesco Hotels Limited				- (0.64)
	Mesco Kalinga Steels Limited				- (0.62)
	Mrs. Rita Singh		- (1.50)		
	Mrs. Natasha Singh Sinha		- (1.50)		

<b>Remuneration \$</b>				
Mrs. Natasha Singh Sinha			-	
			(9.47)	
Mr. Pawan Thakur			-	
			(0.74)	
Mr. S. N. Kambali			-	
			(0.76)	
Mr. Pawan Thakur			-	
			(0.74)	
Mr. Sandeep Agarwal			-	
			(0.59)	
Mr. S N Kambali			-	
			(0.76)	
Mr. Sisirkanta Panigrahi			-	
			(0.82)	
Ms. Priyanka Chug			-	
			-	

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

**Note 28 Disclosures under Accounting Standards (contd.)**

₹ in Mn

<b>Purchase of Goods</b>				
Maithan Ispat Limited		-		
<i>(including duties &amp; taxes)</i>		(4.35)		
Mesco Kalinga Steels Limited		-		
<i>(including duties &amp; taxes)</i>		(2,435.29)		
<b>Loans and Advances given</b>				
Mesco Steels Limited				7.60
				-
Mesco Mining Limited				4.28
				(61.53)
Mesco Aerospace Limited				1.22
				-
Maithan Ispat Limited				3.46
				(38.50)
21st Century Finance Limited				0.01
				-
Mesco Education And Training Society				0.48
				-
Mesco Hotels Limited				0.06
				-
Mesco Shoes Limited				0.01
				-
<b>Loans and Advances repaid back to Company</b>				
21st Century Finance Limited				0.01
				(1.71)
Forrester Foods Private Limited				-
				(20.08)
Mesco Hotels Limited				0.06
				(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				3.39
				(3.57)
Mesco Steels Limited				39.28
				(8.42)
Mesco Gold Cambodia Limited				-
				(37.35)

Mesco Education And Training Society			0.37
			-
Mesco Shoes Limited			0.01
			-
Mesco Mining Limited			3.54
			-
<b><u>Sale of Asset</u></b>			
Forrester Foods Private Limited			-
			(13.20)
Mideast India Limited			-
			(33.10)
<b><u>Loans and Advances received by Company</u></b>			
Forrester Foods Private Limited			21.03
			-
Mesco Pharmaceuticals Limited			0.36
			-
Mideast India Limited			10.91
			-
Mesco Kalinga Steel Limited			5.60
			-
Mesco Logistocs Limited			0.90
			-
<b><u>Loans and Advances repaid back by Company</u></b>			
Mesco Shoes Limited			-
			(0.76)
Mideast India Limited			10.91
			(35.01)
Mesco Logistocs Limited			0.90
			(25.68)
Mesco Laboratories Limited			-
			(0.01)
Forrester Foods Private Limited			16.03
			-
Mesco Pharmaceuticals Limited			0.36
			-
Mesco Kalinga Steel Limited			6.27
<b><u>Investment in shares</u></b>			
Maithan Ispat Limited	-		-
	-		-
<b><u>Rental Income</u></b>			
Maithan Ispat Limited	-		-
	(1.50)		-
<b><u>Corporate guarantees given</u></b>			
Maithan Ispat Limited	-		-
	-		-
<b><u>Balances outstanding at the end of the year</u></b>			
<b><u>Advances and Debtors</u></b>			
Mesco Steels Limited			2,095.11
			(2,126.79)
Maithan Ispat Limited	431.01		
	(425.66)		
Mesco Aerospace Limited			97.17
			(99.28)
Mesco Mining Limited			182.93
			(182.19)
Mesco Education And Training Society			0.11
			-
Mesco Gold Combodia Limited			8.69
			-
<b><u>Payables</u></b>			
Forrester Foods Private Limited			5.00
			-
Mesco Kalinga Steels Limited			201.95
			(418.04)

\$ 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 28 Disclosures under Accounting Standards (contd.)**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
28.4	<b>Earnings per share</b> <u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year attributable to the equity shareholders (₹ in Mn)	(1262.93)	(996.68)
	Weighted average number of equity shares	13,78,75,000	13,78,75,000
	Par value per share (₹)	10	10
	Earnings per share (₹)	(9.16)	(7.24)
	Particulars	As at 31 March, 2021 ₹ in Mn	As at 31 March, 2020 ₹ in Mn
28.5	<b>Deferred tax (liability) / asset</b>		
	<u>Tax effect of items constituting deferred tax liability</u>		
	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)
	<u>Tax effect of items constituting deferred tax assets</u>		
	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
	<b>Net deferred tax (liability) / asset</b>	<b>(739.48)</b>	<b>(739.48)</b>
<b>Note 29</b>	<p>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 &amp; 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 31<sup>st</sup> 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 1<sup>st</sup> January 2018.</p> <p>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 <b>under protest</b> towards Compensation amount.</p>		
<b>Note 30</b>	<p>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.</p>		

