

October 17, 2018

To
The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Sub: Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

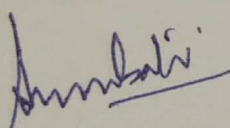
Dear Sir,

With reference to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 25th Annual Report of the Company duly adopted by the shareholders in their 25th Annual General Meeting of the Company held on Sunday, 30th September, 2018 at Lakshmipat Singhania Auditorium, 4/2, PHD House, August Kranti Marg, Siri Institutional Area, Block A, Nipced Campus, Hauz Khas, New Delhi-110016 at 11 AM.

This is for your information and records.

Thanking you

Yours faithfully,
For Mideast Integrated Steels Limited



Director

Encl.: as above

MIDEAST INTEGRATED STEELS LIMITED

Corporate Identity No. - L74899DL1992PLC050216

Regd. Off.: Mesco Towers, H-1, Zamrudpur, Community Centre, Kailash Colony, New Delhi - 110 048, India, T: 011-29241099, 40587085, 40587083

Bhubaneswar Office: Mesco Tower 3915, Lewis Road, Kedargouri Square, Bhubaneswar - 751 014, Odisha, T: 0674-2432755/59, Fax: 0674-2432256

Plant: Kalinga Nagar Industrial Complex, Khuruntli, P. O. - Danagadi - 755 026, Dist. Jajpur Odisha, T: 06726-266042/45, 0671-2383100, Fax: 06726-266041

Mumbai Office: Unit No. 401, Silver Pearl Bldg, Water Field Road, Bandra (W), Mumbai - 400 050, T: 022-26603173/75/74

Kolkata Office: 14th Floor, Room No. 1412, 16, Strand Road, Kolkata - 700 001, T: 033-66451214 / 1215

W: www.mescosteel.com



MESCO STEEL
Partnering Progress

25th ANNUAL REPORT 2017-18

Mideast Integrated Steels Limited



25th Annual Report 2017-2018

**MIDEAST INTEGRATED STEELS LIMITED
NEW DELHI**

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CORPORATE INFORMATION

<p><u>Board of Directors</u></p> <p><i>Chairperson cum Managing Director:</i> Mrs. Rita Singh (DIN 00082263)</p> <p><i>Director (Finance) & CFO :</i> Mrs. Natasha Sinha (DIN 00812380)</p> <p><i>Whole Time Directors:</i></p> <p>1) *Mr. Hanumantha Rao Ravipati (DIN:00044028)</p> <p>2) **Mr. Priyabrata Patnaik (DIN:01709955)</p> <p><i>Additional Director:</i> ***Mr. Sharanappa Neelappa Kambalii (DIN:08182398)</p> <p><u>Company Information</u></p> <p>CIN: L74899DL1992PLC050216 H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048 Tel: +91 (11) 40587085 Website: www.mescosteel.com</p> <p><u>Registrar and Transfer Agent</u> M/s Skyline Financials Services Pvt. Ltd Address: D-153A, Okhla Industrial Area, Phase-II Tel: +91 (11) 26812682 Email: admin@sklylinerta.com</p> <p><u>Statutory Auditors</u></p> <p>1) M/s Tadarwal & Tadarwal, Chartered Accountants 12, Maker Bhavan No.3, 1st Floor, 21, New Marine Lines, Mumbai - 400 020. Tel: +91 (22) 22083115</p>	<p><i>Independent Directors:</i></p> <p>1) Mr. Debiprasad Bagchi (DIN:00061648)</p> <p>2) Mr. Dipak Chatterjee (DIN:03048625)</p> <p>3) Mr. Gurjeet Singh Jawandha (DIN:00213573)</p> <p>4) Mr. Madhukar (DIN:00558818)</p> <p>5) Mr. Nandanadan Mishra (DIN:00031342)</p> <p>6) Mr. Sanjiv Batra (DIN:00602669)</p> <p><u>Plant Location</u> Kalinga Nagar Industrial Complex, Khurunti, P. O. Danagadi - 755026 Dist. Jajpur, Odisha</p> <p><u>Mines Location</u> Panchvati, P.O: Barbil Road, Barbil, Keonjhar: 758035, Odisha</p> <p><u>Other Offices</u></p> <p>1) Mesco Towers, 3915, Lewis Road, Kedar Gauri Square, Bhubaneswar-751014</p> <p>2) 16, Strand Road, Diamond Heritage, 14th Floor, Room-1412, Kolkata- 700001</p> <p>3) 401, Silver Pearl Opp. China Gate Restaurants, Waterfield Road Bandra (W), Mumbai - 400 050</p>
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*Mr. Hanumantha Rao Ravipati (DIN:00044028) has resigned with effect from March 31, 2018

**Mr. Priyabrata Patnaik (DIN:01709955) has resigned with effect from February 28, 2018

*** Mr. Sharanappa Neelappa Kambalii (DIN: 08182398) has been appointed as Additional Director w.e.f July 19, 2018

CHAIRPERSON SPEECH

Dear Shareholders,

It gives me immense pleasure to inform the shareholders that during the year under review equity shares of the company got listed with Bombay Stock Exchange and trading on the shares started with effect from October 18, 2017.

As soon as the business cycle for steel sector turned up, wasting no time your company took steps to restart production at its steel plant. I am happy to inform that the plant is in operation since October 2017. Your company has utilized the shutdown period to make modifications in the plant and introduce new operational procedures for improving the performance of the plant. All these efforts have bore fruit. The average gross coke rate has come down while average daily production has increased thereby improving margins. With these measures, your company would be able to sustain production at the steel plant.

The Order of the Supreme Court dated August 2, 2017 on mining activities in the country is having a deep impact on steel and mining companies in both public and private sectors. All available legal remedies have been taken to deal with the adverse impact of the Order. In parallel, your company is also making efforts to raise money for making the payment of compensation amount as per the Order of the Supreme Court. As a result of this Order, the operations at Roida Iron Ore Mine have been suspended with effect from January 1, 2018.

Financial Outcomes

Having successfully navigated a difficult phase, your company is now poised for better performance. The focus on controlling operational costs at the steel plant has led to better margins. Preparations are underway to restart the second blast furnace at the steel plant. This would further increase the turnover as well as margins.

On the consolidated basis (on including the income of subsidiary company Maithan Ispat Ltd) the company posted total income of ₹ 10902 million during the year. Your company achieved doubling of standalone total income in one year raising it to ₹ 6443 million in 2017-18 from ₹ 3030 million in the previous year. The company achieved EBIDTA of ₹ 1690 million during the year as against EBIDTA of ₹ 1040 million in the previous year. Profit after tax of ₹ 232.91 million was recorded for the year, a jump of 66% over the last year.

Operational Performance

Before restarting the production at the steel plant, the company carried out a detailed technical study and introduced modifications in equipment and standard operating procedures for enhancing efficiency and productivity. These changes have improved efficiency and brought down costs of operations. In a calibrated manner operations were started at one blast furnace in Oct 2017. Nearly 100 kilotons of pig iron was produced in a period of about 5 months of the year.

The quality of iron ore products has improved with the commissioning of 600 tons per hour crushing plant at the iron ore mine last year. Total production of 2.80 million tons was recorded at the mine during the nine-month period of its operations. This production is almost equal to the production recorded in the full year of 2016-17. Efforts were made to remove bottlenecks in dispatches from the mine. As a result of these efforts, total dispatch of 2.31 million tons was accomplished in 9 months, which compares well with the total dispatch of 2.66 million tons recorded in full 12-month period of 2016-17.

Expansion Plans

A large number of steel plants in the country are not able to meet their debt obligations and are facing insolvency under the newly introduced Insolvency and Bankruptcy Code. As a result, several steel assets are available for acquisition through insolvency resolution process. Your company is actively pursuing such opportunities to expand inorganically.

Due to high NPAs, banks are disinclined to lend to steel companies for two reasons, one the banks are not adequately capitalized for the fresh round of lending and second, the steel companies are responsible for very high NPAs of banks leading to an implicit embargo on further exposure to steel sector. Lack of support from banks is the main reason for the delay in phased expansion for the steel plant. Now with the revival of the steel sector, there would be a better response to the efforts in raising funds for the expansion of the plant. Your company has decided to take up the project to establish pulverized coal injection facility (PCI) in the steel plant.

During the year additional investment of ₹ 225 million was made in Maithan Ispat Ltd, a subsidiary of your company. Total equity investment in Maithan Ispat is at ₹ 1818.9 million as of 31 March 2018. The modernization and expansion of Maithan Ispat Ltd are in progress. A rolling mill for producing TMT bars of 200 kilotons per year capacity is being set up. Work on setting up an Electric Arc Furnace of 50-ton capacity has also been started, which would produce 400 kilotons of steel.

Corporate Social Responsibility

As a responsible corporate, your company remains committed to the welfare of the communities in the area where it operates. Under Corporate Social Responsibility Initiative, the company has taken up works in Barbil and Kalinga Nagar areas for improving existing infrastructure, promoting health and education, women empowerment, and sports. Your company is at the forefront of animal welfare activities also. During the year 2017-18 about ₹ 27.70 Million were spent on various CSR initiatives.

For Mideast Integrated Steels Limited

Rita Singh

Chairperson Cum Managing Director



NOTICE

MIDEAST INTEGRATED STEELS LIMITED

CIN: L74899DL1992PLC050216

Registered Office: H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048

Website: www.mescosteel.com, Tel No.: 011-40587083

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Sunday, 30th Day of September, 2018 at 11.00 a.m. at LakshmiPat Singhania Auditorium, 4/2, PHD House, August Kranti Marg, Siri Institutional Area, Block A, Nipccd Campus, Hauz Khas, New Delhi-110016 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt audited Financial Statements for the year ended March 31, 2018, together with reports of the Directors and the Auditors thereon and the Consolidated Financial Statements for the year ended March 31, 2018 along with the Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Natasha Sinha (DIN 00812380), Director-Finance of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Arun Tadarwal & Associates LLP, Chartered Accountants, (Firm Registration No.W100291), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Tadarwal & Tadarwal LLP, (Firm Regn No. 111009W/W100231), Chartered Accountants.

"RESOLVED FURTHER THAT M/s. Arun Tadarwal & Associates LLP, Chartered Accountants, (Firm Registration No.W100291), be and are hereby appointed as Statutory Auditors of the Company to hold the office from August 3, 2018, until the conclusion of this 25th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.

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

"RESOLVED THAT pursuant to Section 139,142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Arun Tadarwal & Associates LLP, Chartered Accountants, (Firm Registration No.W100291), be and are hereby appointed as Statutory Auditors of the Company to hold office for a remaining period of 4 years, from the conclusion of the 25th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2022, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Director of the Company.

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 ₹ 1,00,000 (Rupees One Lakh only) plus applicable Goods and Service Tax and reimbursement of out of pocket expenses subject to maximum of ₹ 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, 2019.

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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 50,00,00,00,000 (Rupees Five Thousand Crores Only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT any director of the company be and is hereby authorised to file necessary forms with the Registrar of Companies and to do or cause to do such other acts, deeds things and execute all such documents, undertaking as may be considered necessary in connection with or incidental to the above."

7. 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 186 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and other necessary approvals, if any and to the extent required, and in addition to the amounts already invested/loans made or guarantees/security provided by the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty per cent of company's paid-up share capital, its free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed ₹ 3000,00,00,000 (Rupees Three Thousand Crores only) at any point of time over and above the paid-up share capital of the Company, free reserves and securities premium account.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 investments or loans or guarantees or securities (the "transactions") including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer, sale, recall, renewal, divestment or otherwise, 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 of directors of the company Company be and is hereby authorized to negotiate, finalize and execute and sign the above mentioned agreements and schedules, attachments, documents, appendixes and other writings in respect thereof, including any amendment thereto for and on behalf of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company and such other approvals as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to transfer, sell, lease, assign, deliver or otherwise dispose off, pledge, hypothecate, mortgage and/or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable / immoveable properties of the Company, whosoever

situate, both present and future and/or whole or any part of undertaking(s) of the Company and/or conferring power, to enter upon and to take possession of assets of the Company in certain events, to or in favour of the banks and/or financial institutions and/or multilateral agencies and/or export import banks and/or other creditors (together referred to as the “Lenders”) , Agent(s) and Trustee(s), for securing the borrowings of the Company/Subsidiary/Associate Company availed / to be availed by way of loan(s) in foreign currency and/or Rupee And Securities issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest, in case of default accumulated interest, liquidated damages, commitment charges premia on prepayments, any fee, costs, charges, expenses, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company/Subsidiary/ Associate Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s).”

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid.

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

“RESOLVED THAT pursuant to the provisions of Sections 152,161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder, SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sharanappa Neelappa Kambalii (DIN 08182398), who was appointed as an Additional Director of the Company with effect from July 20, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice inwriting under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is here by appointed as an Executive Director of the Company liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of 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	(₹ 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, Whole Time Director & CFO of the company are common director and promoters carry shareholding interest	Mesco Steels Limited	250	