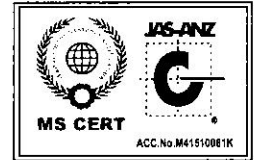




MESCO STEEL
Partnering Progress



ISO 9001:2008

February 17, 2021

To,

BSE Limited
Corporate Relationship Department
Floor 25, Phirozejeebhoy Towers
Dalal Street
Mumbai-400001

To

The Listing Department
The Calcutta Stock Exchange Ltd
7, Lyons Range
Kolkata-70001

Scrip ID: MESCON
SCRIP CODE: 540744

Sub: Un-audited Standalone and Consolidated Financial Results of the Company, for the quarter ended 30th June, 2020, for quarter and half year 30th September, 2020 and for the quarter ended 31st December, 2020

Dear Sir,

Pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Un-audited Standalone and Consolidated Financial Results of the Company, for the quarter ended 30th June, 2020, for quarter and half year 30th September, 2020 and for the quarter ended 31st December, 2020 along with Limited Review Reports duly considered and approved by the Board of Directors at their meeting held at New Delhi on Wednesday, 17th February, 2021.

A Copy of the said results together with Limited Review Report is enclosed herewith. These results are also being made available on the website of the Company at www.mescosteel.com.

This is for your information and records.

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

Priyanka Chugh
Company Secretary cum Compliance Officer
Encl: AA

MIDEAST INTEGRATED STEELS LIMITED

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, Khurunti, 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
E: info@mescosteel.com, W: www.mescosteel.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

| Sr. No. | Particulars | Quarter ended | | | Half Year ended | | Year ended |
|---------|--|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 30-Sep-20 | 30-Jun-20 | 30-Sep-19 | 30-Sep-20 | 30-Sep-19 | 31-Mar-20 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | Rs. in Mn | Rs. in Mn | Rs. in Mn | Rs. in Mn | Rs. in Mn | Rs. in Mn | |
| 1 | Revenue from Operations | 339.81 | 4.62 | 1,500.09 | 344.43 | 3,087.26 | 4,017.44 |
| 2 | Other Income | 13.78 | 0.22 | 20.71 | 14.00 | 28.81 | 455.78 |
| 3 | Total Income (1+2) | 353.59 | 4.84 | 1,520.80 | 358.43 | 3,116.07 | 4,473.22 |
| 4 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 17.81 | - | 1,351.24 | 17.81 | 2,797.32 | 3,561.27 |
| | (b) Changes in inventories of finished goods, work-in-progress and stock-in- | 116.97 | 1.54 | (49.81) | 118.51 | (25.53) | 90.07 |
| | (c) Employee benefits expense | 9.85 | 7.56 | 79.52 | 17.41 | 162.57 | 258.41 |
| | (d) Finance cost | 0.31 | 0.31 | 3.13 | 0.62 | 6.14 | 17.43 |
| | (e) Depreciation and amortisation expense | 140.47 | 140.44 | 139.01 | 280.91 | 280.02 | 561.87 |
| | (f) Other expenses | 8.51 | 12.81 | 204.19 | 21.32 | 321.46 | 521.88 |
| | Total Expenses | 293.92 | 162.66 | 1,727.28 | 456.58 | 3,541.98 | 5,010.93 |
| 5 | Profit / (Loss) from operations before exceptional items (3-4) | 59.68 | (157.81) | (206.48) | (98.15) | (425.91) | (537.69) |
| 6 | Exceptional items | - | - | - | - | - | - |
| 7 | Profit / (Loss) before tax (5+6) | 59.68 | (157.81) | (206.48) | (98.15) | (425.91) | (537.69) |
| 8 | Tax expense | 5.00 | 10.00 | 10.00 | 15.00 | 30.00 | 60.00 |
| 9 | Net Profit / (Loss) after tax (7-8) | 54.68 | (167.81) | (216.48) | (113.15) | (455.91) | (597.69) |
| 10 | Other Comprehensive Income | 0.20 | 0.55 | 0.10 | 0.75 | 0.85 | 1.32 |
| 11 | Total Comprehensive Income / (Loss) (9+10) | 54.88 | (167.26) | (216.38) | (112.40) | (455.06) | (596.37) |
| 12 | Paid Up Equity Share Capital (Face Value of Rs. 10/- each) | 1,378.75 | 1,378.75 | 1,378.75 | 1,378.75 | 1,378.75 | 1,378.75 |
| 13 | Earnings per Share (of Rs 10 each) (not annualised) | | | | | | |
| | Basic | 0.40 | (1.22) | (1.57) | (0.82) | (3.31) | (4.34) |
| | Diluted | 0.40 | (1.22) | (1.57) | (0.82) | (3.31) | (4.34) |

- The above results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on February 17, 2021.
- 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 had filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement in March 2018 however the petition has been dismissed by the Supreme Court during the reporting quarter. Provision for the above compensation along with interest has not been made in the books of accounts. 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. 51.19 crores including GST till September 2020 and Rs.116.39 crores including GST till 15th February 2021 under protest towards Compensation amount.
- There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in the High Court. The Company is confident to win the award and hence not making any provision in the books.
- Previous periods figures have been regrouped / rearranged wherever necessary to conform to the current period's classification(s).

For and on behalf of the Board of Directors
 For Mideast Integrated Steels Limited

Rita Singh

Chairperson cum Managing Director

Place : New Delhi
 Date : February 17, 2021

Mideast Integrated Steels Limited
Unaudited Balance Sheet as at September 30, 2020

| Particulars | As at 30 Sept, 2020 | As at 31 March, 2020 |
|--------------------------------|---------------------|----------------------|
| | ₹ in Mn | ₹ in Mn |
| ASSETS | | |
| Non current assets | | |
| Property, plant and equipment | 7,215.45 | 7,496.36 |
| Capital work-in-progress | 244.68 | 244.68 |
| Non current investments | 1,918.92 | 1,918.92 |
| Financial assets | | |
| Security deposits | 59.32 | 59.32 |
| Other financial assets | 2,582.14 | 2,569.26 |
| Other non current assets | 797.32 | 812.32 |
| Current assets | | |
| Inventories | 822.19 | 922.89 |
| Financial assets | | |
| Trade receivables | 658.24 | 663.50 |
| Cash and cash equivalents | 175.51 | 154.15 |
| Advances | 679.22 | 678.91 |
| Other financial assets | 312.29 | 300.99 |
| | 15,465.26 | 15,821.30 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 1,378.75 | 1,378.75 |
| Other equity | | |
| Securities premium | 677.70 | 677.70 |
| Retained earnings | 2,190.90 | 2,303.30 |
| Other reserves | 1,642.61 | 1,642.61 |
| Total Equity | 5,889.96 | 6,002.36 |
| Non current liabilities | | |
| Financial liabilities | | |
| Borrowings | 318.00 | 321.00 |
| Trade payables | - | - |
| Other financial liability | 4,997.76 | 4,997.76 |
| Deferred tax liabilities (net) | 739.48 | 739.48 |
| Employee benefit obligations | 61.29 | 61.29 |
| Current liabilities | | |
| Financial liabilities | | |
| Trade payables | 2,211.48 | 2,327.25 |
| Other financial liabilities | 1,238.22 | 1,363.10 |
| Employee benefit obligations | 9.07 | 9.07 |
| | 15,465.26 | 15,821.30 |

For and on behalf of the Board of Directors
For Mideast Integrated Steels Limited

Rita Singh

Chairperson cum Managing Director

Place : New Delhi
Date : February 17, 2021

| Mideast Integrated Steels Limited | | | | |
|---|---|----------------|--------------------------------------|-----------------|
| Unaudited Cash Flow Statement for the half year ended 30 September, 2020 | | | | |
| Particulars | For the half year ended 30 September, 2020 | | For the year ended 31 March, 2020 | |
| | | | ₹ in Mn | ₹ in Mn |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | (98.15) | | (537.69) |
| Adjustments for | | | | |
| Depreciation and amortisation | 280.91 | | 561.87 | |
| Finance costs | 0.62 | | 17.43 | |
| Interest income | (8.00) | | (5.54) | |
| Rental income | (6.00) | | (42.03) | |
| Liabilities / provisions no longer required written back | - | | (392.44) | |
| Net unrealised exchange (gain) / loss | 13.54 | | 50.67 | |
| | | 281.07 | | 189.96 |
| Operating profit / (loss) before working capital changes | | 182.92 | | (347.73) |
| Adjustments for (increase) / decrease in operating assets | | | | |
| Inventories | (100.70) | | 206.37 | |
| Trade receivables | (5.26) | | 67.00 | |
| Short-term loans and advances | 0.31 | | (120.36) | |
| Long-term loans and advances | 12.88 | | (42.56) | |
| Other non-current assets | (15.00) | | 60.00 | |
| Other current assets | 11.30 | | (20.11) | |
| Adjustments for increase / (decrease) in operating liabilities | | | | |
| Trade payables | (99.84) | | (105.41) | |
| Other current liabilities | - | | - | |
| Other long-term liabilities | - | | (39.51) | |
| Short-term provisions | - | | (0.08) | |
| Long-term provisions | - | | (4.68) | |
| | | (196.32) | | 0.66 |
| Cash generated from operations | | (13.39) | | (347.08) |
| Net income tax (paid) / refunds | (0.92) | | (56.23) | |
| Net cash flow from / (used in) operating activities (A) | | (14.31) | | (403.31) |
| B. Cash flow from investing activities | | | | |
| Purchase/Sale of fixed assets including capital advance | - | | (3.55) | |
| Investment in subsidiaries and joint ventures | - | | 0.00 | |
| Rental receipt | 6.00 | | 42.03 | |
| Interest received | 8.00 | | 5.54 | |
| (Investment in fixed deposit)/Proceeds from fixed deposits | 20.00 | | 302.85 | |
| | | 34.00 | | 346.87 |
| Net cash flow from / (used in) investing activities (B) | | 34.00 | | 346.87 |
| C. Cash flow from financing activities | | | | |
| Proceeds/(Repayment) of borrowings | (3.00) | | (306.01) | |
| Finance cost | (0.62) | | (17.43) | |
| | | (3.62) | | (323.44) |
| Net cash flow from / (used in) financing activities (C) | | (3.62) | | (323.44) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 16.07 | | (379.88) |
| Cash and cash equivalents at the beginning of the year | | 38.91 | | 418.79 |
| Cash and cash equivalents at the end of the year | | 54.98 | | 38.91 |

For and on behalf of the Board of Directors
For Mideast Integrated Steels Limited

Rita Singh

Chairperson cum Managing Director

Place : New Delhi

Date : February 17, 2021

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Mideast Integrated Steels Limited
Mesco Tower, H-1, Zamrudpur Community Centre,
Kailash Colony,
New Delhi - 110048

1. We have reviewed the accompanying statement of unaudited standalone financial results of Mideast Integrated Steels Limited (the 'Company') for the quarter ended 30th September 2020. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, *except for the effects of the matters described in the Basis for Qualified Opinion section of our report*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Basis for Qualified Opinion

- 1) *The Company, has had several transactions with its related parties, and has a net inter-company receivables being loans given, amounting to Rs 28.13 crores as at 30th September 2020 (Rs 28.19 crores as on 30th June 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. The management has not carried out a detailed*

impairment assessment as on 30th September 2020 and 30th June 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 has given loan to its subsidiary (Maithan Ispat Limited), which stands at Rs 16.15 crores as on 30th September 2020 (Rs 16.11 crores as on 30th June 2020).*

Further the Company also has an investment of Rs 179.88 crores in this subsidiary.

Based on the financials of its subsidiary as on 30th September 2020, the net worth is completely eroded and is negative at Rs 119.35 crores. The subsidiary also has its operations suspended since January 2019.

Considering the above factors, the management has still not carried out a detailed impairment assessment of the Subsidiary as on 30th September 2020 and 30th June 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.

- 3) *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 30th 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 June 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto 30th September 2020, of Rs 582.65 crores, making the total liability provision of Rs 1506.65 crores as on 30th September 2020.*
- 4) *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 30th September 2020.*

- 5) *In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 41.38 crores as on 30th June 2020) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 30th September 2020. No litigation has been initiated by the Company on these balances.*
- 6) *In view of the points mentioned at 2,3 and 5 above; had the Company provided for the matters mentioned therein, the loss after tax for the quarter ended September 2020 would stand at approximately Rs 1738.57 crores and for the year to date at approximately Rs 1856.46 crores. (Impairment loss for amounts due from Subsidiary Rs 196.03 crores, Penal compensation & Interest on account of excess production of Iron Ore of Rs 1506.65 crores & short provision of doubtful debts of Rs 41.38 crores)*

Emphasis of Matter

- 1) *We draw attention to Note 3 to the financial results, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.*

Our opinion is not modified in respect of these matters.

For **ARUN TODARWAL & ASSOCIATES LLP**
Chartered Accountants
Firm Reg No.: W100291

ARUN LALCHAND
TODARWAL

Digitally signed by ARUN LALCHAND TODARWAL
DN: cn=ARUN LALCHAND TODARWAL, o=ARUN TODARWAL & ASSOCIATES LLP, ou=ARUN TODARWAL & ASSOCIATES LLP, email=arun@aruntodarwal.com, c=IN
Date: 2021.02.17 12:31:11 +05'30'

Arun Todarwal
Partner
Membership No. 032822
Place: Delhi
Date: 17th February 2021
UDIN: 21032822AAAAAC4173

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

| Sr. No. | Particulars | Quarter ended | | | Half Year ended | | Year ended |
|---------|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 30-Sep-20 | 30-Jun-20 | 30-Sep-19 | 30-Sep-20 | 30-Sep-19 | 31-Mar-20 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | Rs. in Mn | Rs. in Mn | Rs. in Mn | Rs. in Mn | Rs. in Mn | Rs. in Mn | |
| 1 | Revenue from Operations | 339.81 | 4.62 | 1,500.75 | 344.43 | 3,099.82 | 4,029.33 |
| 2 | Other Income | 13.78 | 0.22 | 20.70 | 14.00 | 28.80 | 478.95 |
| 3 | Total Income (1+2) | 353.59 | 4.84 | 1,521.45 | 358.43 | 3,128.62 | 4,508.28 |
| 4 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 17.81 | - | 1,351.91 | 17.81 | 2,793.64 | 3,556.92 |
| | (b) Changes in inventories of finished goods, work-in-progress and stock-in | 116.97 | 1.54 | (49.81) | 118.51 | (5.03) | 132.86 |
| | (c) Employee benefits expense | 9.85 | 7.56 | 83.26 | 17.41 | 190.94 | 274.07 |
| | (d) Finance cost | 0.31 | 0.31 | 3.30 | 0.62 | 17.72 | 106.24 |
| | (e) Depreciation and amortisation expense | 205.70 | 205.67 | 203.98 | 411.37 | 409.96 | 822.78 |
| | (f) Other expenses | 8.51 | 12.81 | 205.55 | 21.32 | 361.11 | 552.08 |
| | Total Expenses | 359.15 | 227.89 | 1,798.19 | 587.04 | 3,768.34 | 5,444.96 |
| 5 | Profit / (Loss) from operations before exceptional items (3-4) | (5.55) | (223.04) | (276.74) | (228.61) | (639.72) | (936.68) |
| 6 | Exceptional items | - | - | - | - | - | - |
| 7 | Profit / (Loss) before tax (5+6) | (5.55) | (223.04) | (276.74) | (228.61) | (639.72) | (936.68) |
| 8 | Tax expense | 5.00 | 10.00 | 10.00 | 15.00 | 30.00 | 60.00 |
| 9 | Net Profit / (Loss) after tax (7-8) | (10.55) | (233.04) | (286.74) | (243.61) | (669.72) | (996.68) |
| 10 | Other Comprehensive Income | 0.20 | 0.55 | 0.10 | 0.75 | 0.85 | 0.49 |
| 11 | Total Comprehensive Income / (Loss) (9+10) | (10.35) | (232.49) | (286.64) | (242.86) | (668.87) | (996.19) |
| 12 | Paid Up Equity Share Capital (Face Value of Rs. 10/- each) | 1,378.75 | 1,378.75 | 1,378.75 | 1,378.75 | 1,378.75 | 1,378.75 |
| 13 | Earnings per Share (of Rs 10 each) (not annualised) | | | | | | |
| | Basic | (0.08) | (1.69) | (2.08) | (1.77) | (4.86) | (7.23) |
| | Diluted | (0.08) | (1.69) | (2.08) | (1.77) | (4.86) | (7.23) |

- The above results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on February 17, 2021.
- 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 had filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement in March 2018 however the petition has been dismissed by the Supreme Court during the reporting quarter. Provision for the above compensation along with interest has not been made in the books of accounts. 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. 51.19 crores including GST till September 2020 and Rs.116.39 crores including GST till 15th February 2021 under protest towards Compensation amount.
- There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in the High Court. The Company is confident to win the award and hence not making any provision in the books.
- Previous periods figures have been regrouped / rearranged wherever necessary to conform to the current period's classification(s).

For and on behalf of the Board of Directors
For Mideast Integrated Steels Limited

Rita Singh
Chairperson cum Managing Director

Place : New Delhi
Date : February 17, 2021

Mideast Integrated Steels Limited
Unaudited Consolidated Balance Sheet as at September 30, 2020

| Particulars | As at 30 Sept, 2020 | As at 31 March, 2020 |
|--|---------------------|----------------------|
| | ₹ in Mn | ₹ in Mn |
| ASSETS | | |
| Non current assets | | |
| Property, plant and equipment | 10,634.43 | 11,045.80 |
| Capital work-in-progress | 706.35 | 706.35 |
| Non current investments | 120.10 | 120.10 |
| Financial assets | | |
| Security deposits | 59.32 | 113.49 |
| Other financial assets | 2,421.14 | 2,408.26 |
| Other non current assets | 1,103.09 | 1,118.09 |
| Deferred tax asset (Subsidiary) | 1,398.05 | 1,398.05 |
| Current assets | | |
| Inventories | 1,763.69 | 1,864.39 |
| Financial assets | | |
| Trade receivables | 407.89 | 413.15 |
| Cash and cash equivalents | 298.86 | 277.50 |
| Advances | 679.22 | 678.91 |
| Other financial assets | 467.74 | 456.44 |
| | 20,059.86 | 20,600.52 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 1,378.75 | 1,378.75 |
| Other equity | | |
| Securities premium | 677.70 | 677.70 |
| Retained earnings | (1,680.29) | (1,383.27) |
| Other reserves | 1,642.61 | 1,642.61 |
| Equity attributable to Equity shresholders of Parent | 2,018.77 | 2,315.79 |
| Non-controlling interest | 1,133.30 | 1,133.30 |
| Total Equity | 3,152.07 | 3,449.09 |
| Non current liabilities | | |
| Financial liabilities | | |
| Borrowings | 3,470.28 | 3,473.28 |
| Other financial liability | 4,997.76 | 4,997.76 |
| Deferred tax liabilities | 739.48 | 739.48 |
| Employee benefit obligations | 69.52 | 69.52 |
| Capital reserves on consolidation | 927.14 | 927.14 |
| Current liabilities | | |
| Financial liabilities | | |
| Trade payables | 3,233.05 | 3,348.82 |
| Other financial liabilities | 3,455.96 | 3,580.84 |
| Employee benefit obligations | 14.60 | 14.60 |
| | 20,059.86 | 20,600.52 |

For and on behalf of the Board of Directors
For Mideast Integrated Steels Limited

Rita Singh

Chairperson cum Managing Director

Place : New Delhi
Date : February 17, 2021

| Mideast Integrated Steels Limited | | | | |
|--|---|----------------|--------------------------------------|-----------------|
| Unaudited Consolidated Cash Flow Statement for the half year ended 30 September, 2020 | | | | |
| Particulars | For the half year ended 30 September, 2020 | | For the year ended 31 March, 2020 | |
| | | | ₹ in Mn | ₹ in Mn |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | (228.61) | | (936.68) |
| Adjustments for | | | | |
| Depreciation and amortisation | 411.37 | | 822.78 | |
| Finance costs | 0.62 | | 39.52 | |
| Interest income | (8.00) | | (5.71) | |
| Rental income | (6.00) | | (42.03) | |
| Liabilities / provisions no longer required written back | - | | (416.11) | |
| Net unrealised exchange (gain) / loss | 13.54 | | 50.67 | |
| | | 411.53 | | 449.12 |
| Operating profit / (loss) before working capital changes | | 182.92 | | (487.56) |
| Adjustments for (increase) / decrease in operating assets | | | | |
| Inventories | (100.70) | | 240.19 | |
| Trade receivables | (5.26) | | 146.82 | |
| Short-term loans and advances | 0.31 | | (120.36) | |
| Long-term loans and advances | 12.88 | | (42.56) | |
| Other non-current assets | (15.00) | | 60.00 | |
| Other current assets | 11.30 | | (20.11) | |
| Adjustments for increase / (decrease) in operating liabilities | | | | |
| Trade payables | (99.84) | | (673.70) | |
| Other current liabilities | - | | - | |
| Other long-term liabilities | - | | (39.51) | |
| Short-term provisions | - | | (0.08) | |
| Long-term provisions | - | | (4.68) | |
| | | (196.31) | | (454.00) |
| Cash generated from operations | | (13.39) | | (941.55) |
| Net income tax (paid) / refunds | (0.92) | | (55.97) | |
| Net cash flow from / (used in) operating activities (A) | | (14.31) | | (997.52) |
| B. Cash flow from investing activities | | | | |
| Purchase/Sale of fixed assets including capital advance | - | | (4.06) | |
| Rental receipt | 6.00 | | 42.03 | |
| Interest received | 8.00 | | 5.81 | |
| (Investment in fixed deposit)/Proceeds from fixed deposits | 20.00 | | 306.56 | |
| | | 34.00 | | 350.34 |
| Net cash flow from / (used in) investing activities (B) | | 34.00 | | 350.34 |
| C. Cash flow from financing activities | | | | |
| Proceeds/(Repayment) of borrowings | (3.00) | | 300.32 | |
| Finance cost | (0.62) | | (33.69) | |
| | | (3.62) | | 266.63 |
| Net cash flow from / (used in) financing activities (C) | | (3.62) | | 266.63 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 16.07 | | (380.55) |
| Cash and cash equivalents at the beginning of the year | | 123.00 | | 503.55 |
| Cash and cash equivalents at the end of the year | | 139.07 | | 123.00 |

For and on behalf of the Board of Directors
For Mideast Integrated Steels Limited

Rita Singh

Chairperson cum Managing Director

Place : New Delhi

Date : February 17, 2021

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Mideast Integrated Steels Limited
Mesco Tower, H-1, Zamrudpur Community Centre,
Kailash Colony,
New Delhi - 110048

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Mideast Integrated Steels Limited (the 'Parent') and its subsidiary Maithan Ispat Limited (the Parent and its subsidiary together referred to as 'the Group') for the quarter ended 30th September 2020. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, *except for the effects of the matters described in the Basis for Qualified Opinion section of our report*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Basis for Qualified Opinion

In the books of the Parent:

- 1) *The Company, has had several transactions with its related parties, and has a net inter-company receivables being loans given, amounting to Rs 28.13 crores as at 30th September 2020 (Rs 28.19 crores as on 30th June 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. The management has not carried out a detailed impairment assessment as on 30th September 2020 and 30th June 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 has given loan to its subsidiary (Maithan Ispat Limited), which stands at Rs 16.15 crores as on 30th September 2020 (Rs 16.11 crores as on 30th June 2020).*

Further the Company also has an investment of Rs 179.88 crores in this subsidiary.

Based on the financials of its subsidiary as on 30th September 2020, the net worth is completely eroded and is negative at Rs 119.35 crores. The subsidiary also has its operations suspended since January 2019.

Considering the above factors, the management has still not carried out a detailed impairment assessment of the Subsidiary as on 30th September 2020 and 30th June 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.

- 3) *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 30th 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 June 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto 30th September 2020, of Rs 582.65 crores, making the total liability provision of Rs 1506.65 crores as on 30th September 2020.*

- 4) *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 30th September 2020.*
- 5) *In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 41.38 crores as on 30th June 2020) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 30th September 2020. No litigation has been initiated by the Company on these balances.*

In the books of the Subsidiary:

- 1) *The total assets of the company stand at Rs 687.25 crores (Rs 693.77 crores as on 30th June 2020), and the total liabilities as on 30th September 2020 are Rs 806.60 crores (Rs 806.60 crores as on 30th June 2020). The accumulated losses for the company as on 30th September 2020 is Rs 903.50 crores (Rs 896.98 crores as on 30th June 2020) and the Net worth is negative Rs 119.35 crores (negative Rs 112.83 crores as on 30th June 2020).*

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

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

- 2) *The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 30th September 2020.*
- 3) *In our opinion, a provision of Rs 39.35 crores (Rs 39.35 crores in June 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 30th September 2020.*
- 4) *Further, upon our review of the books of account of the Subsidiary, for the period ended 30th September 2020, the effects for the below have not been made in the books:*
 - a) *The finance cost expense in Profit & loss account of Rs 3.71 crores as on 30th September 2020 (Rs 3.71 crores as on 30th June 2020) and the increase in financial liability of Rs 7.42 crores as on 30th September 2020 (Rs 3.71 crores as on 30th June 2020), to be created based on the fair valuation, on Discounted Cash flow method, on the of 10%*

Cumulative Redeemable Preference Shares and 0.10% Cumulative Redeemable Preference Shares.

- b) *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:*

| Banker / Lendor | Loan account number | Interest provision made by Banks (Amt in Rs) |
|-----------------------------|----------------------------|---|
| <i>Punjab National Bank</i> | <i>3190008700002785</i> | <i>69,917,141</i> |
| <i>Indian Overseas Bank</i> | <i>262403281500001</i> | <i>18,061,515</i> |

- c) *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 and any other expenses. Consequently, no TDS liability on the above expenses has been created, where applicable.*
- d) *Interest income on fixed deposits have not been considered by the Company as on the reporting date.*

- 5) *The Company is not able to reconcile the closing balance of the below bank as on 30th September 2020:*

| Bank | Account number | Balance as per Books of Accounts (Amt in Rs) | Balance as per Bank confirmations (Amt in Rs) | Difference to be reconciled (Amt in Rs) |
|-------------------------------------|-----------------------|---|--|--|
| <i>State Bank of India, Kolkata</i> | <i>35242478674</i> | <i>83,719,870</i> | <i>56,787</i> | <i>83,663,083</i> |

- 6) *Confirmation of the below banks, loans, fixed deposits have not been provided to us for verification:*

| Category | Bank | Account Number | Balance as per Books (Amt in Rs) |
|------------------------|---------------------|-----------------------|---|
| Current Account | State Bank of India | 34945767143 | Nil |

| | | | |
|----------------------|--|------------------|---------------|
| Fixed Deposit | Allahabad Bank, Kolkata (BG Margin) | | 78,96,000 |
| | Allahabad Bank, Kolkata (LC Margin) | | (68,19,074) |
| | Punjab National Bank, Kolkata (BG Margin) | | 44,40,000 |
| | Punjab National Bank, Kolkata (LC Margin) | | 151,55,450 |
| | State Bank of India, Kolkata (LC Margin) | | 677,64,662 |
| | State Bank of India, Bhubaneswar | | (61,919) |
| | State Bank of India, Jajpur | | 30,50,000 |
| Term Loans | Punjab National Bank | 319000IC00000733 | (418,128,856) |
| | Punjab National Bank | 319000IC00001037 | (31,270,073) |
| | Allahabad Bank | 50274153112 | (210,975,404) |
| | Allahabad Bank | 50353888241 | (55,361,497) |
| | Allahabad Bank | 50274230155 | (302,411,813) |
| | Oriental Bank of Commerce | 01717021000078 | (447,448,229) |
| | Oriental Bank of Commerce | 01717025002378 | (19,297,673) |

7) *In view of the points mentioned at 2,3,5,8 and 9(a) above, had the Group provided for the matters mentioned therein, the consolidated loss after tax for the quarter ended September 2020 would stand at approximately Rs 1788.16 crores and for the year to date at approximately Rs 1807.70 crores. (Impairment loss for amounts due from Subsidiary Rs 196.03 crores, Penal compensation & Interest on account of excess production of Iron Ore of Rs 1506.65 crores, short provision of doubtful debts of Rs 80.73 crores and non provision of finance cost expense for cumulative redeemable preference shares of Rs 3.71 crores)*

Emphasis of Matter

- 1) *We draw attention to Note 3 to the financial results, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before*

ARUN TODARWAL & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Phone : 43023305 / 43023300
E-Mail : arun@aruntodarwal.com
URL : www.aruntodarwal.com
104, Maker Bhavan No. 3., 1st Floor.
21 New Marine Lines,
Mumbai - 400 020. India

*the Bombay High Court. The same has been admitted by the High Court in December 2019.
The hearing is still awaited.*

Our opinion is not modified in respect of these matters.

For ARUN TODARWAL & ASSOCIATES LLP
Chartered Accountants
Firm Reg No.: W100291

ARUN LALCHAND
TODARWAL

Digital signed by ARUN LALCHAND TODARWAL
DN: cn=ARUN LALCHAND TODARWAL, o=ARUN TODARWAL & ASSOCIATES LLP, ou=ARUN TODARWAL & ASSOCIATES LLP, email=arun@aruntodarwal.com, c=IN
Date: 2021.02.17 15:51:59 +05'30'

Arun Todarwal
Partner
Membership No. 032822
Place: Delhi
Date: 17th February 2021
UDIN: 21032822AAAAAD3474