



MESCO STEEL
Partnering Progress



ISO 9001:2008

24th December, 2020

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
CRIP CODE: 540744

Sub: Audited Financial Results and Statement for the Quarter and Financial Year ended 31st March, 2020

Dear Sir,

With reference to your mails dated 21.12.2020 regarding discrepancies in submission of our Audited Financial Results, it is hereby submitted that due to oversight we have uploaded another file in which Consolidated Results and Declaration or Statement of Impact of Audit Qualifications were not part of the file.

The Company is now enclosing herewith the Audited Financial results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2020 along with Audit Reports and Statement on Impact of Audit Qualifications duly considered and approved by the Board of Directors at their meeting held on Saturday, 05th December, 2020.

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.: Mescos Towers, H-1, Zamrudpur, Community Centre, Kailash Colony, New Delhi - 110 048, India, T: 011-29241099, 40587085, 40587083
Bhubaneswar Office: Mescos 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



MESCO STEEL
Partnering Progress



ISO 9001:2008

05th December, 2020

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
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Scrip ID: MESCON
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Sub: Audited Financial Results and Statement for the Quarter and Financial Year ended 31st March, 2020

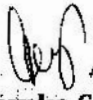

Dear Sir,

Pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Audited Financial results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2020 along with Audit Reports and Statement on Impact of Audit Qualifications duly considered and approved by the Board of Directors at their meeting held at New Delhi on Saturday, 05th December, 2020.

A Copy of the said results together with Auditors Report and Statement on Impact of Audit Qualification 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

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Statement of Standalone Audited Financial Results for the Financial Year ended 31 March, 2020

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		Audited	Unaudited	Audited	Audited	Audited
		Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn
1	Revenue from Operations	43.50	886.68	1,828.88	4,017.44	7,383.45
2	Other Income	213.50	213.47	(488.52)	455.78	411.21
3	Total Income (1+2)	257.00	1,100.15	1,340.36	4,473.22	7,794.66
4	Expenses					
	(a) Cost of materials consumed	(12.62)	776.57	1,526.63	3,561.27	6,356.51
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.08	94.52	(105.50)	90.07	(24.29)
	(c) Employee benefits expense	84.94	10.90	(37.79)	258.41	286.09
	(d) Finance cost	11.07	0.22	32.16	17.43	45.85
	(e) Depreciation and amortisation expense	144.22	137.63	140.14	561.87	564.04
	(g) Other expenses	112.81	87.61	211.71	521.88	553.07
	Total Expenses	361.50	1,107.45	1,767.35	5,010.93	7,781.27
5	Profit / (Loss) from operations before exceptional items (3-4)	(104.50)	(7.30)	(426.99)	(537.69)	13.38
6	Exceptional items	-	-	-	-	-
7	Profit / (Loss) before tax (5+6)	(104.50)	(7.30)	(426.99)	(537.69)	13.38
8	Tax expense:	15.00	15.00	2.00	60.00	52.00
9	Net Profit / (Loss) after tax (7-8)	(119.50)	(22.30)	(428.99)	(597.69)	(38.62)
10	Other Comprehensive Income	0.57	(0.10)	0.35	1.32	0.80
11	Total Comprehensive Income / (Loss) (9+10)	(118.93)	(22.40)	(428.64)	(596.37)	(37.82)
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
13	Earnings per Share (of Rs 10 each) (not annualised) (including share suspense)					
	- Basic	(0.87)	(0.16)	(3.11)	(4.34)	(0.28)
	- Diluted	(0.87)	(0.16)	(3.11)	(4.34)	(0.28)

- 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 December 5, 2020.
- The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 and the unaudited published year-to-date figures upto December 31, 2019 and December 31, 2018 respectively being the dates of the end of the third quarters of the financial years which were subjected to limited review.
- 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. 55.67 cores including GST till October 2020 under protest towards Penalty 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 very 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

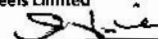

 Natasha Sinha
 Director

Place : New Delhi
 Date : 5 December, 2020

Mideast Integrated Steels Limited
Standalone Statement of Assets and Liabilities as at 31 March, 2020

Particulars	As at 31 March, 2020 ₹ in Mn	As at 31 March, 2019 ₹ in Mn
ASSETS		
Non current assets		
Property, plant and equipment	7,496.36	8,115.00
Capital work-in-progress	244.68	241.13
Non current investments	1,918.92	1,918.92
Financial assets		
Security deposits	59.32	62.43
Other financial assets	2,569.26	2,526.70
Other non current assets	812.32	872.32
Current assets		
Inventories	922.89	1,129.26
Financial assets		
Trade receivables	663.50	730.50
Cash and cash equivalents	154.15	534.95
Advances	678.91	558.56
Other financial assets	300.99	280.88
	15,821.30	16,970.65
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,378.75	1,378.75
Other equity		
Securities premium	677.70	677.70
Retained earnings	2,303.30	2,899.67
Other reserve	1,642.61	1,642.61
Total Equity	6,002.36	6,598.73
Non current liabilities		
Financial liabilities		
Borrowings	321.00	353.10
Trade payables	-	387.11
Other financial liabilities	4,997.76	4,957.01
Deferred tax liabilities (net)	739.48	739.48
Employee benefit obligations	61.29	65.97
Current liabilities		
Financial liabilities		
Trade payables	2,327.25	2,045.55
Other financial liabilities	1,363.10	1,814.53
Employee benefit obligations	9.07	9.15
	15,821.30	16,970.65

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

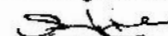

Natasha Sinha
Director

Place : New Delhi
Date : 5 December, 2020

Mideast Integrated Steels Limited
Cash Flow Statement for the year ended 31 March, 2020

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-537.69		13.38
Adjustments for				
Depreciation and amortisation	561.87		564.04	
Finance costs	17.43		45.85	
Interest income	(5.54)		(8.78)	
Rental income	-42.03		-	
Liabilities / provisions no longer required written back	-392.44		-393.67	
Net unrealised exchange (gain) / loss	50.67		40.22	
		189.97		247.66
Operating profit / (loss) before working capital changes		-347.72		261.04
Adjustments for (increase) / decrease in operating assets				
Inventories	206.37		29.62	
Trade receivables	67.00		-493.43	
Short-term loans and advances	(120.34)		(189.07)	
Long-term loans and advances	(42.56)		(97.43)	
Other non-current assets	60.00		46.00	
Other current assets	(20.11)		35.71	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(105.42)		172.96	
Other current liabilities	-		540.76	
Other long-term liabilities	(39.51)		(242.62)	
Short-term provisions	-0.08		1.13	
Long-term provisions	-4.68		8.59	
		0.66		(187.77)
Cash generated from operations		-347.07		73.27
Net income tax (paid) / refunds	-56.23			(103.23)
Net cash flow from / (used in) operating activities (A)		-403.31		-29.96
B. Cash flow from Investing activities				
Purchase/Sale of fixed assets including capital advance	(3.55)		(101.06)	
Investment in subsidiaries and joint ventures	0.00		0.00	
Rental receipt	42.03		0.00	
Interest received	5.54		8.78	
(Investment in fixed deposit)/Proceeds from fixed deposits	302.85		283.33	
		346.87		191.04
Net cash flow from / (used in) investing activities (B)		346.87		191.04
C. Cash flow from financing activities				
Proceeds/(Repayment) of borrowings	(306.01)		186.20	
Finance cost	(17.43)		(45.85)	
		(323.44)		140.35
Net cash flow from / (used in) financing activities (C)		(323.44)		140.35
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-379.88		301.44
Cash and cash equivalents at the beginning of the year		418.79		117.35
Cash and cash equivalents at the end of the year		38.91		418.79

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


Natasha Sinha
Director

Place : New Delhi
Date : 5 December, 2020

Independent Auditor's Report On Audited Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Director
Mideast Integrated Steels Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly financial results of Mideast Integrated Steels Limited (the company) for the quarter ended 31st March 2020 and the year to date results for the period from 1st April 2019 to 31st March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, *subject to the qualifications as mentioned below*, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March 2020 as well as the year to date results for the period from 1st April 2019 to 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Qualifications in the audit report

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

ARUN TODARWAL & ASSOCIATES LLP
Chartered Accountants
Mumbai

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

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

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

- 3) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31st March 2020, the net worth is completely eroded and is negative at Rs 160.37 crores and the liabilities exceed the assets of the subsidiary company by Rs 160.37 crores. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the year had the company performed such impairment assessment.*
- 4) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto date of the balance sheet, of Rs 471.47 crores, making the total liability provision of Rs 1395.47 crores as on 31st March 2020.*
- 5) *Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure I attached herewith.*

- 6) *The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.*
- 7) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 8) *In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 35.08 crores as on 31st March 2019) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2020. No litigation has been initiated by the Company on these balances.*
- 9) *During the year, the Company has written back a disputed liability of Rs 38.71 crores against the amounts due to a party. We have not been provided with any audit evidence in respect of such write back.*

Other CARO based Qualifications

- 1) *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*
- 2) *According to information and explanation given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act, however in our opinion:*
 - *The terms and conditions of the grant of such loans are prejudicial to the company's interest as no interest is being charged on the same upto year ended 31st March 2020.*
 - *There is no schedule of repayment of principal and payment of interest that has been stipulated.*
 - *The amounts given as loans, as on 31st March 2020, exceed the amounts as permitted by the loan agreement made between the Company and its related party.*
 - *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*
- 3) *With respect to Section 185, the Company has advanced loans, including any loan represented by a book debt to those related parties where the director / directors of the Company are interested; however no special resolution is passed by the Company in general meeting for the same. Further, in the absence of sufficient information, we cannot give our opinion if the loans are utilised by the borrowing companies for their principal business activities.*
- 4) *In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, details are as below:*

ARUN TODARWAL & ASSOCIATES LLP

Chartered Accountants

Mumbai

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

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

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

Emphasis of Matter

- 1) In March 2020, the Company received a demand notice from the GST department, Jajpur, for excess ITC credit claimed in the FY 2018-19. The net demand, after reconciliation and payments made by the Company, stands at Rs 42 crores. As per the management, since the books of accounts already have a GST liability payable of Rs 69 crore, which includes the above Rs 42 crores for FY 2018-19, hence no further provision for the same is required.
- 2) We draw attention to Note 4 to the financial results and Note 32 of the financials, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an Arbitration Award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.

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

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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 results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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

ARUN TODARWAL & ASSOCIATES LLP
Chartered Accountants
Mumbai

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 financial results 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 results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

For and on behalf of
Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No: W100291

ARUN
LALCHAND
TODARWAL

Digitally signed by ARUN
LALCHAND TODARWAL
Date: 2020.12.05 13:20:18
+05'30'

Arun Todarwal
Partner
M. No. : 032822

Dated: 5th December, 2020
Place: Mumbai
UDIN: 20032822AAAAAH3520

ANNEXURE I to the Independent Auditor's Report On Audited Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

Bank and Fixed Deposit balances:

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

Loans by Other financial institutions:

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

Mideast Integrated Steels Limited
Consolidated Statement of Assets and Liabilities as at 31 March, 2020

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹ in Mn	₹ in Mn
ASSETS		
Non-current assets		
Property, plant and equipment	11,045.80	11,925.35
Capital work-in-progress	706.35	702.29
Non-current investments	120.10	120.10
Financial assets		
Security deposits	113.49	116.60
Other financial assets	2,408.26	2,401.70
Other non current assets	1,118.09	1,182.16
Deferred tax asset (Subsidiary)	1,398.05	1,398.05
Current assets		
Inventories	1,864.39	2,104.58
Financial assets		
Trade receivables	413.15	481.92
Cash and cash equivalents	277.50	695.89
Advances	678.91	731.52
Other financial assets	456.44	307.02
	20,600.52	22,167.18
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,378.75	1,378.75
Other equity		
Securities premium	677.70	677.70
Retained earnings	(1,383.27)	(391.07)
Other reserves	1,642.61	1,642.61
Equity attributable to Equity shreholders of Parent	2,315.79	3,307.99
Non-controlling interest	1,133.30	991.80
Total Equity	3,449.09	4,299.79
Non-current liabilities		
Financial liabilities		
Borrowings	3,473.28	3,563.67
Other financial Liabilities	4,997.76	4,957.01
Deferred tax liabilities	739.48	739.48
Employee benefit obligations	69.52	74.20
Capital reserves on consolidation	927.14	1,396.71
Current liabilities		
Financial liabilities		
Trade payables	3,348.82	3,534.37
Other financial liabilities	3,580.84	3,588.10
Employee benefit obligations	14.60	13.85
	20,600.52	22,167.18

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




Natasha Sinha
Director

Place : New Delhi
Date : 5 December 2020

Mideast Integrated Steels Limited
Consolidated Cash Flow Statement for the year ended 31 March, 2020

	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-936.68		-814.02
Adjustments for				
Depreciation and amortisation	822.78		823.92	
Finance costs	39.52		491.18	
Interest income	(5.71)		-8.78	
Rental income	-42.03		-	
Liabilities / provisions no longer required written back	-416.11		-428.86	
Net unrealised exchange (gain) / loss	50.67		50.02	
		449.12		927.48
Operating profit / (loss) before working capital changes		-487.56		113.46
Adjustments for (increase) / decrease in operating assets				
Inventories	240.19		475.00	
Trade receivables	146.82		-367.58	
Short-term loans and advances	(120.36)		-189.07	
Long-term loans and advances	(42.56)		-97.43	
Other non-current assets	60.00		46.00	
Other current assets	(70.11)		35.71	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(673.70)		-676.81	
Other current liabilities	-		540.76	
Other long-term liabilities	(39.51)		-242.62	
Short-term provisions	-0.08		1.13	
Long-term provisions	-4.68		8.59	
		(454.00)		(466.32)
Cash generated from operations		-941.55		-352.86
Net income tax (paid) / refunds	-55.97		-104.07	
Net cash flow from / (used in) operating activities (A)		-997.52		-456.93
B. Cash flow from investing activities				
Purchase/Sale of fixed assets including capital advance	(4.06)		(232.45)	
Rental receipt	42.03		0.00	
Interest received	5.81		25.48	
(Investment in fixed deposit/Proceeds from fixed deposits)	306.56		379.58	
		350.34		172.61
Net cash flow from / (used in) investing activities (B)		350.34		172.61
C. Cash flow from financing activities				
Proceeds/(Repayment) of borrowings	300.32		751.79	
Finance cost	(33.69)		(405.77)	
		266.63		346.02
Net cash flow from / (used in) financing activities (C)		266.63		346.02
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-380.55		61.70
Cash and cash equivalents at the beginning of the year		503.55		441.87
Cash and cash equivalents at the end of the year		123.00		503.55

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


Natasha Sinha
Director

Place : New Delhi
Date : 5 December 2020

Statement of Consolidated Audited Financial Results for the Financial Year ended 31 March, 2020

Sr. No.	Particulars	Year ended	Q ended	Year ended
		31/3/2020	31/3/2020	31/3/2019
		Audited	Audited	Audited
		Rs. in Mn	Rs. in Mn	Rs. in Mn
1	Revenue from Operations	4,029.33	43.49	10,621.91
2	Other Income	478.95	236.67	838.46
3	Total Income (1+2)	4,508.28	280.16	11,460.37
4	Expenses			
	(a) Cost of materials consumed	3,556.92	(12.62)	8,502.82
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	132.86	43.37	64.33
	(c) Employee benefits expense	274.07	72.23	423.26
	(d) Finance cost	106.24	88.30	1,089.22
	(e) Depreciation and amortisation expense	822.78	275.19	823.92
	(f) Other expenses	552.08	103.38	1,370.84
	Total Expenses	5,444.96	569.85	12,274.39
5	Profit / (Loss) from operations before exceptional items (3-4)	(936.68)	(289.68)	(814.02)
6	Exceptional items	-	-	-
7	Profit / (Loss) before tax (5+6)	(936.68)	(289.68)	(814.02)
8	Tax expense:	60.00	15.00	52.00
9	Net Profit / (Loss) after tax (7-8)	(996.68)	(304.68)	(866.02)
10	Other Comprehensive Income	0.49	(0.26)	-0.03
11	Total Comprehensive Income / (Loss) (13+14)	(996.19)	(304.94)	(866.05)
12	Earning Per Share (in Rs.)			
	- Basic	(7.23)	(2.21)	(6.28)
	- Diluted	(7.23)	(2.21)	(6.28)

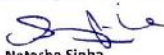
1 The above results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on December 5, 2020

2 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. 55.67 cores including GST till October 2020 **under protest** towards compensation amount.

3 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.

4 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


 Natasha Sinha
 Director

Place : New Delhi
 Date : 5 December 2020

Independent Auditor's Report On consolidated audited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of
Mideast Integrated Steels Limited

Report on the audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Mideast Integrated Steels Limited ("Holding company") and its subsidiary (holding company and its subsidiary together referred to as "the Group"), for the quarter ended 31st March 2020 and for the period from 1st April 2019 to 31st March 2020 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, *subject to the qualifications as mentioned below*, and based on the consideration of the audit report and financial information of subsidiary, the Statement:

a. includes the results of the following entities:

Maithan Ispat Limited – Subsidiary;

b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and

c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net loss and other comprehensive loss) and other financial information of the Group for the quarter ended 31st March 2020 and for the period from 1st April 2019 to 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Qualifications

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

1) *The Company, during the financial year, has had several transactions with its related parties, and has a net inter-company receivables being loans given, amounting to Rs 28.22 crores as at 31st March 2020 (Rs 26.86 crores as on 31st March 2019), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions:*

- *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board.*
- *The management has not carried out a detailed impairment assessment as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36.*

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

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

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

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

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

- 4) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto date of the balance sheet, of Rs 471.47 crores, making the total liability provision of Rs 1395.47 crores as on 31st March 2020.*
- 5) *Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure I attached herewith.*
- 6) *The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.*
- 7) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 8) *In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 35.08 crores as on 31st March 2019) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2020. No litigation has been initiated by the Company on these balances.*
- 9) *During the year, the Company has written back a disputed liability of Rs 38.71 crores against the amounts due to a party. We have not been provided with any audit evidence in respect of such write back.*

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

- 1) *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*
- 2) *According to information and explanation given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act, however in our opinion:*
 - *The terms and conditions of the grant of such loans are prejudicial to the company's interest as*

ARUN TODARWAL & ASSOCIATES LLP

Chartered Accountants

Mumbai

no interest is being charged on the same upto year ended 31st March 2020.

- *There is no schedule of repayment of principal and payment of interest that has been stipulated.*
 - *The amounts given as loans, as on 31st March 2020, exceed the amounts as permitted by the loan agreement made between the Company and its related party.*
 - *We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*
- 3) *With respect to Section 185, the Company has advanced loans, including any loan represented by a book debt to those related parties where the director / directors of the Company are interested; however no special resolution is passed by the Company in general meeting for the same. Further, in the absence of sufficient information, we cannot give our opinion if the loans are utilised by the borrowing companies for their principal business activities.*
- 4) *In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, details are as below:*

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

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

<i>Sr. No.</i>	<i>Dues pertaining to</i>	<i>Amount (In Crores) March 2020</i>	<i>Amount (In Crores) March 2019</i>	<i>Forum where dispute is pending</i>
1	<i>Excise Duty</i>	<i>113.17</i>	<i>114.26</i>	<i>Various Authorities</i>
2	<i>Service Tax</i>	<i>1.88</i>	<i>3.00</i>	<i>Various Authorities</i>

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3	<i>Sales and Entry Tax</i>	27.80	24.84	<i>Various Authorities</i>
4	<i>Income Tax</i>	5.77	5.77	<i>Various Authorities</i>
	Total	148.62	147.87	

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

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

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

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

2. *The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.*
3. *Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure II attached herewith.*
4. *The internal audit report, for the year ended 31st March 2020, has not been shared with us.*
5. *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
6. *In our opinion, a provision of Rs 39.35 crores (Rs 10.56 crores in March 2019) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company, including capital advances) as on 31st March 2020.*
7. *We have not been provided with the stock valuation working, nor the stock physical verification report, as on 31st March 2020. Hence we are unable to comment on the correctness of the quantity as well as valuation taken as on 31st March 2020. The total value of closing stocks is shown at Rs 94.15 crores as on 31st March 2020.*

Other CARO based Qualifications for Subsidiary Company – Maithan Ispat Limited

1. *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*
2. *As per the information provided to us, Inventory has been physically verified by the management during the year, however we have not been provided with the physical verification report for our comments on the same.*
3. *According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, GST and other statutory dues, if any, applicable to it, has not been deposited with the appropriate authorities since March 2019.*
4. *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, VAT, Entry Tax, Customs duty, Income Tax & Electricity Duty as at March 31st, 2020 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:*

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

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

Emphasis of Matter

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

- 1) *In March 2020, the Company received a demand notice from the GST department, Jajpur, for excess ITC credit claimed in the FY 2018-19. The net demand, after reconciliation and payments made by the Company, stands at Rs 42 crores. As per the management, since the books of accounts already have a GST liability payable of Rs 69 crore, which includes the above Rs 42 crores for FY 2018-19, hence no further provision for the same is required.*
- 2) *We draw attention to Note 4 to the financial results and Note 32 of the financials, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an Arbitration Award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.*

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

Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group including its subsidiary in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

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

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 results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associates and jointly controlled entities 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 results 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 and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

ARUN TODARWAL & ASSOCIATES LLP
Chartered Accountants
Mumbai

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.
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results include the audited Financial Results of 1 subsidiary, whose interim Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs 700.29 crores as at 31st March 2020, Group's share of total revenue of Rs 0.37 crores and Group's share of total net loss after tax of Rs 39.90 crores, as considered in the consolidated Financial Results.

For and on behalf of
Arun Todarwal & Associates LLP
Chartered Accountants
ICAI Reg No : W100291

ARUN LALCHAND TODARWAL
Digitally signed by
ARUN LALCHAND
TODARWAL

Arun Todarwal
Partner

M. No. : 032822

UDIN: 20032822AAAAAL7428

Dated: 5th December, 2020
Place: Mumbai

ANNEXURE I to the Independent Auditor's Report On consolidated audited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**In the audit report of the Holding Company – Mideast Integrated Steels Limited**

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

Bank and Fixed Deposit balances:

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

Loans by Other financial institutions:

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

ANNEXURE II to the Independent Auditor's Report On consolidated audited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

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

Secured Loans by Banks:

Srn	Particulars	Loan Account number	Closing Amount as per books (Rs)
1	Indian Overseas Bank	0001	(486,735,631)
2	Indian Overseas Bank	0002	(18,001,562)
3	State Bank of India	6459	(665,600,000)
4	State Bank of India	93545	(20,782,989)
5	Punjab National Bank	000733	(418,128,856)
6	Punjab National Bank	001037	(31,270,073)
7	Oriental Bank of Commerce	00078	(447,448,229)
8	Oriental Bank of Commerce	02378	(19,324,275)
9	State Bank of Maharashtra	70008	(262,300,000)

ANNEXURE I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations. 2016]

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			(Rs. In Million)
I.	1	Turnover / Total income	4737.46
	2	Total Expenditure	5730.94
	3	Net Profit/(Loss)	(597.69)
	4	Earnings /(Deficit) Per Share	(4.34)
	5	Total Assets	15821.30
	6	Total Liabilities	15821.30
	7	Net Worth	6002.36
	8	Any other financial item(s) (as felt appropriate by the management)	-
II	Audit Qualification- Mideast Integrated Steels Limited(Holding Company)		
	(a)	Details of Audit Qualification:	<p>1. The Company, during the financial year, has had several transactions with its related parties, and has a net inter-company receivables being loans given, amounting to Rs 28.22 crores as at 31st March 2020 (Rs 26.86 crores as on 31st March 2019), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions: We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board. The management has not carried out a detailed impairment assessment as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36. Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.</p> <p>2. The Company, during the financial year, has given further loan to its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 16.10 crores as on 31st March 2020 (Rs 12.50 crores as on 31st March 2019).</p>



			<p>Regarding these amounts and transactions: The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2020 and 31st March 2019, as required by the Ind AS 36.</p> <p>We have not been provided with the minutes of the meetings, hence we cannot comment if any approval for the loans has been taken in the audit committee and board.</p> <p>☑ Since the subsidiary has its operations suspended since January 2019, there have only been purchases made by the Company from its subsidiary, totaling to Rs 0.44 crores during the year.</p> <p>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.</p> <p>3. The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31st March 2020, the net worth is completely eroded and is negative at Rs 160.37 crores and the liabilities exceed the assets of the subsidiary company by Rs 160.37 crores. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the year had the company performed such impairment assessment.</p> <p>4. In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. However, in our opinion, this compensation has been crystalized and</p>
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			<p>accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest, upto date of the balance sheet, of Rs 471.47 crores, making the total liability provision of Rs 1395.47 crores as on 31st March 2020.</p> <ol style="list-style-type: none"> 5. Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure III attached herewith. 6. The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020. 7. Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations. 8. In our opinion, a provision for doubtful debts of Rs 41.38 crores (Rs 35.08 crores as on 31st March 2019) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2020. No litigation has been initiated by the Company on these balances. 9. During the year, the Company has written back a disputed liability of Rs 38.71 crores against the amounts due to a party. We have not been provided with any audit evidence in respect of such write back.
		<p>Emphasis of Matter</p>	<ol style="list-style-type: none"> 1. In March 2020, the Company received a demand notice from the GST department, Jajpur, for excess ITC credit claimed in the FY 2018-19. The net demand, after reconciliation and payments made by the Company, stands at Rs 42 crores. As per the management, since the books of accounts already have a GST liability payable of Rs 69 crore, which includes the above Rs 42 crores for FY 2018-19, hence no further provision for the same is required. 2. We draw attention to Note 4 to the financial results and Note 32 of the financials, which describe Rs 718 crores due to a party in respect of unreconciled amounts as per an arbitration award. The Company is



			disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.
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	(b)	Type of Audit Qualification	Qualified Opinion and Emphasis of Matter / Disclaimer of Opinion / Adverse Opinion
	(c)	Frequency of qualification	Appeared Second Time
	(d)	For Audit Qualification(s) where the impact is quantified by the auditor: and the , Management's Views on same	Impact has been not been quantified by the Auditor in their Report to the Members except point no. 4 and 8.

	(e)	For Audit Qualification(s) where the impact is not quantified by the auditor (i). Management's estimation on the impact of audit qualification: (ii). If management is unable to estimate the impact, reasons for the same: (iii). Auditors' Comments on (i) or (ii) above.	Presently Impact of these qualification/emphasis of matter can not be quantified; Management view on the Audit Qualification and Emphasis of Matter are as under: 1 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 is hundred percent subsidiary of Mideast Integrated Steels Limited. Mideast Integrated Steels Limited 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 Mideast Integrated Steels Limited. The same is duly approved by the Board and Audit Committee. 3 Maithan is hundred percent subsidiary of Mideast Integrated Steels Limited. Mideast Integrated Steels Limited 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
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			<p>view the prospective revival of the Company in near future. For the same purchase advances have been given during the year by Mideast Integrated Steels Limited. The same is duly approved by the Board and Audit Committee.</p> <p>4 In pursuance to the Judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 (Common Cause v/s Union of India & Others), an amount of ₹ 924.75 crores has been imposed on the Company towards 'Compensation' as determined in the said Judgement which was to be paid by 31st December 2017, eventhough the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018. The Company has however filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement and which is still pending. Hence provision has not been made for the same in the books of accounts. Further in the said case Company managed to get an Order dated 15th January, 2020 from Hon'ble Supreme Court, according to which Company get permission to sell 23,51,027.83 T of iron ore of different grade and sizes and which has been extracted. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 55.67 cores including GST till October 2020 under protest towards Penalty amount.</p> <p>5 All records are available at the site bearing very few documents.</p> <p>6 Company is in process of ascertaining the correct value of assets in the market and accordingly carrying out the deferred tax.</p> <p>7 Company is in process to receive the balance confirmation from Debtors, creditors and some loan</p>
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			<p>and advance as given and received and/or for the deposits received and given, as soon as same will be received by the company, the details will be shared with the Auditors. Further management is of certain view that on confirmation/reconciliation of the balances, there will not be any material impact on the state of affairs of the company. Confirmation are not available where there is dispute between companies and parties.</p> <p>8 Management is very much confident of getting realization, hence not provided.</p> <p>9 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.</p> <p>Emphasis of Matter</p> <p>1 The Company is asking to the Department for installments for the GST payment.</p> <p>2 There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in Mumbai High Court. The Company is confident to win the award and hence not making any provision in the books.</p>
III	Audit Qualification- Maithan Ipat Limited (Subsidiary Company)		
	(a)	Details of Audit Qualification:	<p>1 The total assets of the company stand at Rs 700.30 crores (Rs 738.25 crores as on 31st March 2019), and the total liabilities as on 31st March 2020 are Rs 806.60 crores (Rs 804.57 crores as on 31st March 2019). The accumulated losses for the company as on 31st March 2020 are Rs 890.45 crores (Rs 850.74 crores as on 31st March 2019) and the Net worth is negative Rs 106.31 crores (negative Rs 66.32 crores as on 31st March 2019). The plant has been shut down since January 2019 and has not yet started its activities till date. The banks have stopped all working capital funding into the Company. The Company has not been able to meet its obligations of repayments of loans towards banks during the year. They have also not been able to meet its obligations towards other statutory liabilities. Taking the above facts into consideration, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.</p>

			<p>2 The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2020.</p> <p>3 Balance confirmations have not been provided to us for some fixed deposits and loans. Details are as per Annexure III attached herewith.</p> <p>4 The internal audit report, for the year ended 31st March 2020, has not been shared with us.</p> <p>5 Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.</p> <p>6 In our opinion, a provision of Rs 39.35 crores (Rs 10.56 crores in March 2019) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company, including capital advances) as on 31st March 2020.</p> <p>7 We have not been provided with the stock valuation working, nor the stock physical verification report, as on 31st March 2020. Hence we are unable to comment on the correctness of the quantity as well as valuation taken as on 31st March 2020. The total value of closing stocks is shown at Rs 94.15 crores as on 31st March 2020.</p>
	(b)	Type of Audit Qualification	Qualified Opinion and Emphasis of Matter / Disclaimer of Opinion / Adverse Opinion
	(c)	Frequency of qualification	Appeared Second Time
	(d)	For Audit Qualification(s) where the impact is quantified by the auditor: and the , Management's Views on same	Impact has been not been quantified by the Auditor in their Report to the Members except point no. 6

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			<ol style="list-style-type: none">1 The company has got Hold on operation Letter from banks to restart the plant. One serious investor is also interested to invest in working capital. It has been finalised and Framework agreement is signed for infusion of funds. The Company is confident that by end of March 2021 the plant will resume operations. So it should be treated as Going concern.2 There is no change in last year figure of 139.80 crores.3 Company Loan accounts were turned NPA with banks in March 2019, So it was not possible to get the bank confirmations for 31st March 2020.4 There were very few number of transactions and operations at plant during the audit period. So internal audit not carried out.5 There was no Plant operation during the audit period and very few transactions done. No major movement of debtor, Sundry creditors happened during the audit period.6 As we are confident that, the plant is going to restart in near future , these Debts are well recoverable, So no provision made for debts and capital advance given.7 Due to some local issues and labour unrest and possession taken by consortium banks , we could not conduct the physical verification for the year ending 31.3.2020.
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Signatories:

- **Chairman & Managing Director**


(Rita Singh)


- **Chief Financial Officer**


(Manas Pahi)

- **Audit Committee Chairman**


(Hawa Singh Chahar)

- **Statutory Auditor**


(Arun Todarwal)

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

Place: New Delhi

Date: 5 December, 2020