

20th December, 2022

To,

BSE Limited
Corporate Relationship Department
Floor 25, PhirozeJeejeebhoy 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, 2022

Dear Sir,

With reference to your mails dated 19.12.2022 regarding discrepancies in submission of our Audited Financial Results, it is hereby submitted that due to oversight wrong file have been uploaded where Declaration or Statement of Impact of Audit Qualifications was 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 31stMarch, 2022 along with Audit Reports and Statement on Impact of Audit Qualifications duly considered and approved by the Board of Directors.

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

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

To
08.12.2022
The Listing Department
The Calcutta Stock Exchange Ltd
7, Lyons Range
Kolkata-70001

SCRIP CODE: 540744

Scrip ID: MESCON

Sub: Audited Financial Results for the Quarter and Financial Year ended 31st March, 2022

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, 2022 along with Audit Reports duly considered and approved by the Board of Directors at their meeting held at New Delhi on Thursday, 08th December, 2022

M/s. Arun Todarwal & Associates, LLP, Chartered Accountants, Statutory Auditors of the Company has issued Auditor's Report.

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

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Mideast Integrated Steels Limited
 Regd. Off: H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi - 110 048
 Website: www.mescosteel.com; CIN: L74899DL1992PLC050216; Ph. No. 011-29241099 & 40587085


Statement of Standalone Audited Financial Results for the Financial Year ended 31 March, 2022

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2022	31/12/2021	31/03/2021	31/03/2022	31/03/2021
		Audited	Unaudited	Audited	Audited	Audited
		Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn
1	Revenue from Operations	4.97	1,384.11	1,233.93	1,389.08	1,922.21
2	Other Income	129.95	1,669.26	46.77	1,799.21	69.37
3	Total Income (1+2)	134.92	3,053.37	1,280.70	3,188.29	1,991.58
4	Expenses					
	(a) Cost of materials consumed	-	-	(17.81)	-	-
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	74.43	50.13	(42.09)	124.56	199.38
	(c) Employee benefits expense	9.27	30.81	78.84	40.08	116.78
	(d) Finance cost	0.25	0.57	9.12	0.82	10.20
	(e) Depreciation and amortisation expense	135.47	276.62	(5.41)	412.09	415.95
	(f) Other expenses	28.40	1,286.62	2,032.80	1,315.02	2,080.42
	Total Expenses	247.82	1,644.74	2,055.45	1,892.57	2,822.73
5	Profit / (Loss) from operations before exceptional items (3-4)	(112.90)	1,408.62	(774.75)	1,295.71	(831.13)
6	Exceptional items	140.49	-	-	140.49	-
7	Profit / (Loss) before tax (5+6)	27.59	1,408.62	(774.75)	1,155.22	(831.13)
8	Tax expense:	-	-	-	-	20.00
9	Net Profit / (Loss) after tax (7-8)	27.59	1,408.62	(774.75)	1,155.22	(851.13)
10	Other Comprehensive Income	-	-	1.03	-	2.28
11	Total Comprehensive Income /(Loss) (9+10)	27.59	1,408.62	(773.72)	1,155.22	(848.85)
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	0.20	10.22	(5.62)	8.38	(6.17)
	- Diluted	0.20	10.22	(5.62)	8.38	(6.17)

- 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 8th December 2022
- 2 The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021 and the unaudited published year-to-date figures upto December 31, 2021 being the dates of the end of the third quarters of the financial years which were subjected to limited review.
- 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 (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. 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 till October, 2022. The Company has deposited with the Government Rs. 362.49 cores including GST till October 2022 **under protest** towards Penalty amount.
- 4 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.
- 5 Previous periods figures have been regrouped / rearranged wherever necessary to conform to the current period's classification(s).

Place : New Delhi
Date : 08.12.2022

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


V N Tiwari
CEO and Director

Mideast Integrated Steels Limited
Standalone Statement of Assets and Liabilities as at 31 March, 2022

Particulars	As at 31 March, 2022	As at 31 March, 2021
	₹ in Mn	₹ in Mn
ASSETS		
Non current assets		
Property, plant and equipment	6,668.33	7,080.42
Capital work-in-progress	244.68	244.68
Non current investments	1,918.92	1,918.92
Financial assets		
Security deposits	48.92	48.94
Other financial assets	2,419.60	2,535.37
Other non current assets	792.32	792.32
Current assets		
Inventories	607.25	731.81
Financial assets		
Trade receivables	399.24	615.53
Cash and cash equivalents	119.40	162.78
Advances	342.03	207.52
Other financial assets	301.63	300.27
	13,862.32	14,638.56
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,378.75	1,378.75
Other equity		
Securities premium	677.70	677.70
Retained earnings	2,609.79	1,454.43
Other reserve	1,642.61	1,642.61
Total Equity	6,308.85	5,153.49
Non current liabilities		
Financial liabilities		
Borrowings	279.74	289.57
Other financial liabilities	3,726.78	4,983.39
Deferred tax liabilities (net)	739.48	739.48
Employee benefit obligations	69.65	69.65
Current liabilities		
Financial liabilities		
Trade payables	1,611.39	1,869.79
Other financial liabilities	1,115.04	1,521.81
Employee benefit obligations	11.39	11.39
	13,862.32	14,638.56

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

V N Tiwari
CEO & Director

Place : New Delhi
Date : 08.12.2022

Mideast Integrated Steels Limited
Cash Flow Statement for the year ended 31 March, 2022

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		1,295.85		(831.16)
Adjustments for				
Depreciation and amortisation	412.09		415.95	
Finance costs	0.82		10.20	
Interest income	(4.00)		(7.77)	
Rental income	(8.31)		(0.91)	
Liabilities / provisions no longer required written back	(1,760.78)		(12.42)	
Net unrealised exchange (gain) / loss	0.00		(18.67)	
Prior period adjustment	(140.49)			
		(1,500.67)		386.37
Operating profit / (loss) before working capital changes		(204.81)		(444.78)
Adjustments for (increase) / decrease in operating assets				
Inventories	124.56		191.08	
Trade receivables	216.28		47.98	
Short-term loans and advances	(134.52)		471.39	
Long-term loans and advances	115.77		33.89	
Other non-current assets	0.02		30.38	
Other current assets	(1.36)		0.72	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(258.40)		(448.58)	
Other current liabilities	1,339.60			
Other long-term liabilities	(1,256.61)		(14.37)	
Short-term provisions	0.00		2.32	
Long-term provisions	0.00		8.36	
		145.34		323.18
Cash generated from operations		(59.47)		(121.60)
Net income tax (paid) / refunds				
Net cash flow from / (used in) operating activities (A)		(59.47)		(121.60)
B. Cash flow from investing activities				
Purchase/Sale of fixed assets including capital advance	(0.00)		(0.00)	
Investment in subsidiaries and joint ventures	0.00		(0.00)	
Rental receipt	8.31		0.91	
Interest received	4.00		7.77	
(Investment in fixed deposit)/Proceeds from fixed deposits	3.10		151.87	
		15.41		160.55
Net cash flow from / (used in) investing activities (B)		15.41		160.55
C. Cash flow from financing activities				
Proceeds/(Repayment) of borrowings	(1.61)		(8.74)	
Finance cost	(0.82)		(10.20)	
		(2.43)		(18.94)
Net cash flow from / (used in) financing activities (C)		(2.43)		(18.94)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(46.49)		20.02
Cash and cash equivalents at the beginning of the year		58.93		38.91
Cash and cash equivalents at the end of the year		12.44		58.93

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

VN Tiwari
CEO & Director

Place : New Delhi
Date : 08.12.2022

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

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of Mideast Integrated Steels Limited (the company) for the quarter ended 31st March 2022 and the year to date results for the period from 1st April 2021 to 31st March 2022, 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 profit and other comprehensive income and other financial information for the quarter ended 31st March 2022 as well as the year to date results for the period from 1st April 2021 to 31st March 2022.

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 transactions with its related parties, and has a net inter-company receivables, being loans given, amounting to Rs 27.12 crores as at 31st March 2022 (Rs 28.06 crores as on 31st March 2021), to various related parties. The management has not carried out a detailed impairment assessment as on 31st March 2022, as required by the Ind AS 36.*

Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on the profit for the year, had the Company performed such impairment assessment.

The above loan balances do not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below.

- 2) *The Company has loan recoverable from its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 10.04 crores as on 31st March 2022 (Rs 16.63 crores as on 31st March 2021). Regarding these amounts and transactions:*

- We have not been provided with any loan agreement signed with the Subsidiary.*
- The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2022, as required by the Ind AS 36.*

Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on profit for the year, had the Company performed such impairment assessment.

- 3) *Besides the loans as mentioned in point no 1 & 2 above, the Company had also given certain advances to its related parties, have debtor based receivables and also expenses reimbursable (ie receivable) from them. The net inter-company receivables, being debtors, reimbursable expenses and advances given, amount to Rs 238.59 crores as at 31st March 2022 (Rs 238 crores as on 31st March 2021). Regarding these amounts and transactions:*

- We have not been provided with the minutes of the audit committee and board meetings for the approval of advances / debtors / sales made amounting to Rs 1.67 crores from the above.*
- Further, the management has not carried out a detailed impairment assessment of the above, as on 31st March 2022, as required by the Ind AS 36*

Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on profit for the year, had the Company performed such impairment assessment.

- 4) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. 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 profit for the year had the company performed such impairment assessment.*
- 5) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed an Interim application, before the Honorable Supreme Court of India seeking extension of time for compliance of its orders. During the year, the Company has paid Rs 98.65 crores as payment under protest.*

No provision has been made for the same in the books of accounts. In our opinion, this compensation has been crystalized and accordingly, a provision for this liability including interest, (net of payment made under protest), should have been made in the books to the extent of Rs 1100.15 crores as on 31st March 2022 (Rs 1118.76 crores as on 31st March 2021).

- 6) *Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure I attached herewith. Further, we have not received direct bank confirmations for any of the current accounts / loans and fixed deposits, however, have received the bank statements / confirmations from the Company for our verification.*
- 7) *Further, the below bank has been closed by the Company in July 2021, however, the books of accounts still have the bank ledger along with some balance:*

Srn	Bank Name	Location	Balance as per Books of accounts
1	Uco Bank A/c 17840210002803	Kolkata	1,36,466

- 8) *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 2022.*
- 9) *There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31st March 2022. They have not been capitalized since more than 6 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 10) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 11) *In our opinion, a provision for doubtful debts of Rs 26.91 crores (Rs 45.95 crores as on 31st March 2021) 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 2022. No litigation has been initiated by the Company on these balances.*
- 12) *Internal audit reports have not been shared for our review, by the Company.*
- 13) *The report for physical verification of Inventory, as on 31st March 2022, has not been shared with us.*
- 14) *There is an unpaid dividend amount of Rs 2.5 crores which pertains to financial year 2013-14. The same should have been transferred into Investor Education and Protection Fund, however, has not been done by the Company. This amount is yet kept in the Unpaid Dividend account with the bank.*

- 15) Further, the books of accounts have an opening provision for Leave encashment of Rs 1.39 crores & an opening provision for Gratuity of Rs 6.72 crores. No further provision is being made for the year ended 31st March 2022 and no actuarial valuation has been done by the Company.
- 16) The expenses for Finance cost, Water charges and Electricity duty have not been fully provided for, in the books of accounts during the year, by the Company. In the absence of the quantum of these expenses, we are unable to determine the impact on the profit for the Company, had these expenses been fully provided for in the books for the year.
- 17) The Goods & Service Tax (GST) returns have not been filed by the Company since December 2019.
- 18) There has been a delay in transferring amounts to the Investor Education and Protection Fund by the Company, of Rs 2.5 crores pertaining to the unpaid dividend for the financial year 2013-14.
- 19) In view of the points mentioned at 5 and 11 above, had the Company provided for the matters mentioned therein, the loss after tax for the year ended 31st March 2022 would stand at approximately Rs 1011.54 crores (Penal compensation & Interest, on account of excess production of Iron Ore, of Rs 1100.15 crores & short provision of doubtful debts of Rs 26.91 crores).

Based on the above, the Company may not be considered as a going concern, as after the above effects, its accumulated losses as on 31st March 2022 would have been Rs 866.10 crores and the Net worth would have been negative Rs 496.20 crores.

Other CARO based Qualifications

- (a) As per the information and explanation given to us, the property, plant and equipment have not been physically verified by the management during the year.
- (b) We have not been able to verify the title deeds of all the immovable properties. Further, certain assets are charged against the loans taken by the Company.
- (c) As per the information provided to us, Inventory has not been physically verified by the management during the year.
- (d) As per the information and explanation given to us, the terms and conditions of the grant of the loans and advances in the nature of loans are prejudicial to the company's interest;
- (e) in respect of loans and advances in the nature of loans, there is no schedule of repayment of principal and nor any interest has been stipulated and the repayments or receipts are not regular;
- (f) Since there is no repayment schedule, we cannot determine if there is any amount overdue.
- (g) Since there is no repayment schedule, we are not able to comment if there is any loan or advance in the nature of loan granted, which has fallen due during the year, which has been

renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

- (h) *As per the information and explanation given to us, the company has granted loans or advances in the nature of loans without specifying any terms or period of repayment. Details are as follows:*

Closing balances as on 31st March 2022:

<i>Aggregate Amount of loans or advances in nature of loans</i>	<i>Percentage thereof to the total loans granted</i>	<i>Aggregate amount of loans granted to related parties</i>
<i>Rs 245.80 Crores</i>	<i>100%</i>	<i>Rs 245.80 Crores</i>

- (i) (a) *According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, GST and other statutory dues, if any, applicable to it, has not been deposited with the appropriate authorities since April 2020.*
- (b) *According to the records of the Company, the disputed dues in respect of Central Excise, Service Tax, Sales Tax, Entry Tax, Income Tax & GST as at March 31st, 2022 have not been deposited with appropriate authorities and no provision has been made for the same in the financials. Details are as follows:*

<i>Sr. No.</i>	<i>Dues pertaining to</i>	<i>Amount (In Crores) March 2022</i>	<i>Amount (In Crores) March 2021</i>	<i>Forum where dispute is pending</i>
<i>1</i>	<i>Central Excise & Service Tax</i>	<i>132.28</i>	<i>131.19</i>	<i>Various Authorities</i>
<i>2</i>	<i>GST</i>	<i>90.23</i>	<i>87.60</i>	<i>Various Authorities</i>
<i>3</i>	<i>Sales and Entry Tax</i>	<i>27.85</i>	<i>27.80</i>	<i>Various Authorities</i>
<i>4</i>	<i>Income Tax</i>	<i>5.77*</i>	<i>5.77</i>	<i>Various Authorities</i>
	<i>Total</i>	<i>256.13</i>	<i>252.36</i>	

** we have not been provided with the details of disputed dues in respect of Income tax matters.*

- (j) (a) *The company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, details are as under:*

<i>Srn</i>	<i>Bank / Financial Institution</i>	<i>Default Amount</i>	<i>Currency</i>	<i>Default made for the month of</i>
1	SREI Equipment Finance Limited	24,576,600	INR	Entire year
2	BanyanTree Bank Limited (Loan no 0024)	6,25,000	USD	June & December 2021
3	BanyanTree Bank Limited (Loan no 0126)	1,16,666	USD	September 2021 & March 2022
4	BanyanTree Bank Limited (Loan no 0046)	1,16,667	USD	June & December 2021

- (k) *In the absence of information, we are unable to comment if the company has been declared a willful defaulter;*
- (l) *As per Section 138 of the Companies Act, read with Rule 13, the Company, for the financial year 2022, is required to have an internal audit system in place. However as informed to us, no Internal auditors have been appointed by the Company.*

Emphasis of Matter

- An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter is pending arbitration.*
- We draw attention to Note 30 of the financials, which describe Rs 718 crores plus interest, due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The matter is subjudice.*
- The Company has written back a liability of Rs 125.60 crores during the year, pertaining to advances received from one party and Rs 11.50 crores against IPICOL liability. However, these matters are yet pending before the High Court and District Court respectively.*
- We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.*
- We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:*

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

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

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 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 Todarwal

Partner

M. No. : 032822

Dated: 8th December, 2022

Place: Mumbai

UDIN: 22032822BFCPJW4119

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 6:

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

Bank balances:

<i>Srn</i>	<i>Bank Name</i>	<i>Location</i>	<i>Closing Amount as per books (Rs)</i>
1	Central Bank Of India A/c 3096464776	BBSR	11,783
2	Central Bank Of India A/c 3078895874	Bhopal	49,158
3	Uco Bank A/c 20990210000038	Rewa	4,657
4	Bank Of Baroda A/c 19720200000744	Katni	-
5	Bank Of India A/c 540020110000056	Keonjhar	15,631
6	Kotak Mahindra Bank A/c 5811655562	Mumbai	-
7	Bank Of Baroda A/c 00290200001372	Kolkata	(7,45,355)
8	State Bank Of India A/c 34137715376	Kolkata	-

Fixed Deposit balances:

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

Loans by Banks, Financial Institutions and Others:

<i>Srn</i>	<i>Particulars</i>	<i>Closing Amount as per books (Rs)</i>
1	Banyan Tree Bank Limited (Foreign currency loan)	(126,775,575)
2	SREI Equipment Finance Ltd	(36,714,320)
3	Unsecured loans (Others)	(174,051,643)
4	Unsecured loans (Promoters)	(105,687,268)

Statement of Consolidated Audited Financial Results for the Financial Year ended 31 March, 2022

Sr. No.	Particulars	Year ended	Q ended	Year ended
		31/03/2022	31/03/2022	31/03/2021
		Audited	Audited	Audited
		Rs. in Mn	Rs. in Mn	Rs. in Mn
1	Revenue from Operations	2,277.42	893.31	1,922.21
2	Other Income	2,312.08	547.42	69.37
3	Total Income (1+2)	4,589.50	1,440.72	1,991.59
4	Expenses			
	(a) Cost of materials consumed	1,391.25	1,391.25	-
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(596.27)	(646.39)	199.39
	(c) Employee benefits expense	66.13	30.79	116.88
	(d) Finance cost	680.17	600.58	159.14
	(e) Depreciation and amortisation expense	350.80	(119.31)	675.64
	(f) Other expenses	1,433.06	139.76	2,083.46
	Total Expenses	3,325.15	1,396.68	3,234.51
5	Profit / (Loss) from operations before exceptional items (3-4)	1,264.35	44.05	(1,242.92)
6	Exceptional items	2,621.36	-	-
7	Profit / (Loss) before tax (5+6)	3,885.70	44.05	(1,242.92)
8	Tax expense:			20.00
9	Net Profit / (Loss) after tax (7-8)	3,885.70	44.05	(1,262.92)
10	Other Comprehensive Income	0	-	2.18
11	Total Comprehensive Income / (Loss) (13+14)	3,885.70	44.05	(1,260.74)
12	Earning Per Share (in Rs.)			
	- Basic	28.18	0.32	(9.16)
	- Diluted	28.18	0.32	(9.16)

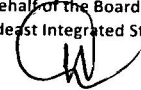
1 The above results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on December 8, 2022

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. 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 till October, 2022. The Company has deposited with the Government Rs. 362.49 crores including GST till October 2020 under protest towards Penalty 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


V.N. Tiwari
CEO and Director

Place : New Delhi
Date : 8 December 2022

Mideast Integrated Steels Limited
Consolidated Statement of Assets and Liabilities as at 31 March, 2022

Particulars		As at 31 March, 2022	As at 31 March, 2021
		₹ in Mn	₹ in Mn
ASSETS			
Non-current assets			
Property, plant and equipment		10,377.85	10,370.18
Capital work-in-progress		463.32	706.35
Non-current investments		120.10	120.10
Financial assets			
Security deposits		102.93	103.11
Other financial assets		2,419.60	2,369.02
Other non current assets		833.75	1,098.08
Deferred tax asset (Subsidiary)		1,398.05	1,398.05
Current assets			
Inventories		2,458.71	1,673.30
Financial assets			
Trade receivables		412.77	364.40
Cash and cash equivalents		277.07	253.85
Advances		713.35	298.53
Other financial assets		457.43	363.40
		20,034.92	19,118.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital		1,378.75	1,378.75
Other equity			
Securities premium		677.70	677.70
Retained earnings		1,231.19	(2,638.98)
Other reserves		1,642.61	1,642.61
Equity attributable to Equity shreholders of Parent		4,930.25	1,060.08
Non-controlling interest		1,279.95	1,265.02
Total Equity		6,210.20	2,325.10
Non-current liabilities			
Financial liabilities			
Borrowings		1,630.19	3,441.91
Other financial Liabilities		3,726.78	4,983.39
Deferred tax liabilities		739.48	739.48
Employee benefit obligations		77.87	77.88
Capital reserves on consolidation		952.20	938.64
Current liabilities			
Financial liabilities			
Trade payables		2,669.83	2,878.52
Other financial liabilities		4,011.44	3,716.53
Employee benefit obligations		16.92	16.92
		20,034.92	19,118.36

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

V.N. Tiwari
CEO and Director

Place : New Delhi
Date : 8 December 2022

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

	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		3,885.71		(1,242.93)
Adjustments for				
Depreciation and amortisation	680.17		675.64	
Finance costs	350.80		159.14	
Interest income	(5.32)		(7.77)	
Rental income	(8.31)		(0.91)	
Liabilities / provisions no longer required written back	(2,176.77)		(12.42)	
Net unrealised exchange (gain) / loss	0.00		(18.67)	
Adjustments for De recognition of liabilities	(2,887.20)			
		(4,046.64)		795.00
Operating profit / (loss) before working capital changes		(160.92)		(447.93)
Adjustments for (increase) / decrease in operating assets				
Inventories	(785.41)		191.09	
Trade receivables	(48.37)		48.76	
Short-term loans and advances	(414.82)		380.37	
Long-term loans and advances	(50.58)		39.24	
Other non-current assets	264.52		30.39	
Other current assets	(94.03)		93.05	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(208.68)		(457.89)	
Other current liabilities	294.90		135.69	
Other long-term liabilities	(857.90)		(25.87)	
Short-term provisions	0.00		2.32	
Long-term provisions	(0.00)		8.35	
		(1,900.38)		445.51
Cash generated from operations		(2,061.31)		(2.41)
Net income tax (paid) / refunds			(104.07)	
Net cash flow from / (used in) operating activities (A)		(2,061.31)		(106.48)
B. Cash flow from investing activities				
Purchase/Sale of fixed assets including capital advance	444.83		(0.00)	
Rental receipt	8.31		0.91	
Interest received	5.32		7.77	
(Investment in fixed deposit/Proceeds from fixed deposits)	3.11		191.85	
		461.57		200.53
Net cash flow from / (used in) investing activities (B)		461.57		200.53
C. Cash flow from financing activities				
Proceeds/(Repayment) of borrowings	1,811.72		(31.37)	
Finance cost	(33.69)		(405.77)	
		1,778.03		(437.14)
Net cash flow from / (used in) financing activities (C)		1,778.03		(437.14)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		178.29		(343.09)
Cash and cash equivalents at the beginning of the year		98.76		441.87
Cash and cash equivalents at the end of the year		277.05		98.76

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

Place : New Delhi
Date : 8 December 2022

V.N. Tiwari
CEO and Director

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 2022 and for the period from 1st April 2021 to 31st March 2022 ("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 profit and other comprehensive profit) and other financial information of the Group for the quarter ended 31st March 2022 and for the period from 1st April 2021 to 31st March 2022.

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 transactions with its related parties, and has a net inter-company receivables, being loans given, amounting to Rs 27.12 crores as at 31st March 2022 (Rs 28.06 crores as on 31st March 2021), to various related parties. The management has not carried out a detailed impairment assessment as on 31st March 2022, as required by the Ind AS 36.*

Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on the profit for the year, had the Company performed such impairment assessment.

The above loan balances do not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below.

- 2) *The Company has loan recoverable from its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 10.04 crores as on 31st March 2022 (Rs 16.63 crores as on 31st March 2021). Regarding these amounts and transactions:*
- We have not been provided with any loan agreement signed with the Subsidiary.*
 - The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2022, as required by the Ind AS 36.*

Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on profit for the year, had the Company performed such impairment assessment.

- 3) *Besides the loans as mentioned in point no 1 & 2 above, the Company had also given certain advances to its related parties, have debtor based receivables and also expenses reimbursable (ie receivable) from them. The net inter-company receivables, being debtors, reimbursable expenses and advances given, amount to Rs 238.59 crores as at 31st March 2022 (Rs 238 crores as on 31st March 2021). Regarding these amounts and transactions:*
- We have not been provided with the minutes of the audit committee and board meetings for the approval of advances / debtors / sales made amounting to Rs 1.67 crores from the above.*
 - Further, the management has not carried out a detailed impairment assessment of the above, as on 31st March 2022, as required by the Ind AS 36*

Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on profit for the year, had the Company performed such impairment assessment.

- 4) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. 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 profit for the year had the company performed such impairment assessment.

- 5) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed an Interim application, before the Honorable Supreme Court of India seeking extension of time for compliance of its orders. During the year, the Company has paid Rs 98.65 crores as payment under protest.*

No provision has been made for the same in the books of accounts. In our opinion, this compensation has been crystalized and accordingly, a provision for this liability including interest, (net of payment made under protest), should have been made in the books to the extent of Rs 1100.15 crores as on 31st March 2022 (Rs 1118.76 crores as on 31st March 2021).

- 6) *Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure I attached herewith. Further, we have not received direct bank confirmations for any of the current accounts / loans and fixed deposits, however, have received the bank statements / confirmations from the Company for our verification.*
- 7) *Further, the below bank has been closed by the Company in July 2021, however, the books of accounts still have the bank ledger along with some balance:*

Srn	Bank Name	Location	Balance as per Books of accounts
1	Uco Bank A/c 17840210002803	Kolkata	1,36,466

- 8) *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 2022.*
- 9) *There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31st March 2022. They have not been capitalized since more than 6 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 10) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 11) *In our opinion, a provision for doubtful debts of Rs 26.91 crores (Rs 45.95 crores as on 31st March 2021) 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 2022. No litigation has been initiated by the Company on these balances.

- 12) Internal audit reports have not been shared for our review, by the Company.*
- 13) The report for physical verification of Inventory, as on 31st March 2022, has not been shared with us.*
- 14) There is an unpaid dividend amount of Rs 2.5 crores which pertains to financial year 2013-14. The same should have been transferred into Investor Education and Protection Fund, however, has not been done by the Company. This amount is yet kept in the Unpaid Dividend account with the bank.*
- 15) Further, the books of accounts have an opening provision for Leave encashment of Rs 1.39 crores & an opening provision for Gratuity of Rs 6.72 crores. No further provision is being made for the year ended 31st March 2022 and no actuarial valuation has been done by the Company.*
- 16) The expenses for Finance cost, Water charges and Electricity duty have not been fully provided for, in the books of accounts during the year, by the Company. In the absence of the quantum of these expenses, we are unable to determine the impact on the profit for the Company, had these expenses been fully provided for in the books for the year.*
- 17) The Goods & Service Tax (GST) returns have not been filed by the Company since December 2019.*
- 18) There has been a delay in transferring amounts to the Investor Education and Protection Fund by the Company, of Rs 2.5 crores pertaining to the unpaid dividend for the financial year 2013-14.*
- 19) In view of the points mentioned at 5 and 11 above, had the Company provided for the matters mentioned therein, the loss after tax for the year ended 31st March 2022 would stand at approximately Rs 1011.54 crores (Penal compensation & Interest, on account of excess production of Iron Ore, of Rs 1100.15 crores & short provision of doubtful debts of Rs 26.91 crores).*

Based on the above, the Company may not be considered as a going concern, as after the above effects, its accumulated losses as on 31st March 2022 would have been Rs 866.10 crores and the Net worth would have been negative Rs 496.20 crores.

Other CARO based Qualifications - of the Holding Company – Mideast Integrated Steels Limited

- (a) As per the information and explanation given to us, the property, plant and equipment have not been physically verified by the management during the year.*
- (b) We have not been able to verify the title deeds of all the immovable properties. Further, certain assets are charged against the loans taken by the Company.*

- (c) *As per the information provided to us, Inventory has not been physically verified by the management during the year.*
- (d) *As per the information and explanation given to us, the terms and conditions of the grant of the loans and advances in the nature of loans are prejudicial to the company's interest;*
- (e) *in respect of loans and advances in the nature of loans, there is no schedule of repayment of principal and nor any interest has been stipulated and the repayments or receipts are not regular;*
- (f) *Since there is no repayment schedule, we cannot determine if there is any amount overdue.*
- (g) *Since there is no repayment schedule, we are not able to comment if there is any loan or advance in the nature of loan granted, which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.*
- (h) *As per the information and explanation given to us, the company has granted loans or advances in the nature of loans without specifying any terms or period of repayment. Details are as follows:*

Closing balances as on 31st March 2022:

<i>Aggregate Amount of loans / advances in nature of loans</i>	<i>Percentage thereof to the total loans /advances granted</i>	<i>Aggregate amount of loans / advances granted to related parties</i>
<i>Rs 245.80 Crores</i>	<i>100%</i>	<i>Rs 245.80 Crores</i>

- (i) (a) *According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, GST and other statutory dues, if any, applicable to it, has not been deposited with the appropriate authorities since April 2020.*
- (b) *According to the records of the Company, the disputed dues in respect of Central Excise, Service Tax, Sales Tax, Entry Tax, Income Tax & GST as at March 31st, 2022 have not been deposited with appropriate authorities and no provision has been made for the same in the financials. Details are as follows:*

<i>Sr. No.</i>	<i>Dues pertaining to</i>	<i>Amount (In Crores) March 2022</i>	<i>Amount (In Crores) March 2021</i>	<i>Forum where dispute is pending</i>
<i>1</i>	<i>Central Excise & Service Tax</i>	<i>132.28</i>	<i>131.19</i>	<i>Various Authorities</i>

ARUN TODARWAL & ASSOCIATES LLP

Chartered Accountants

Mumbai

2	GST	90.23	87.60	Various Authorities
3	Sales and Entry Tax	27.85	27.80	Various Authorities
4	Income Tax	5.77*	5.77	Various Authorities
	Total	256.13	252.36	

* we have not been provided with the details of disputed dues in respect of Income tax matters.

- (j) (a) The company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, details are as under:

Srn	Bank / Financial Institution	Default Amount	Currency	Default made for the month of
1	SREI Equipment Finance Limited	24,576,600	INR	Entire year
2	BanyanTree Bank Limited (Loan no 0024)	6,25,000	USD	June & December 2021
3	BanyanTree Bank Limited (Loan no 0126)	1,16,666	USD	September 2021 & March 2022
4	BanyanTree Bank Limited (Loan no 0046)	1,16,667	USD	June & December 2021

- (k) In the absence of information, we are unable to comment if the company has been declared a willful defaulter;
- (l) As per Section 138 of the Companies Act, read with Rule 13, the Company, for the financial year 2022, is required to have an internal audit system in place. However as informed to us, no Internal auditors have been appointed by the Company.

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

- 1) An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter is pending arbitration.
- 2) We draw attention to Note 30 of the financials, which describe Rs 718 crores plus interest, due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The matter is subjudice.

- 3) *The Company has written back a liability of Rs 125.60 crores during the year, pertaining to advances received from one party and Rs 11.50 crores against IPICOL liability. However, these matters are yet pending before the High Court and District Court respectively.*
- 4) *We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.*
- 5) *We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:*

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

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

Qualifications in the audit report of the Subsidiary Company – Maithan Ispat Limited

1. *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 2022.*
2. *Confirmation for the below fixed deposit has not been received by us:*

<i>Srn</i>	<i>Bank Name</i>	<i>Category</i>	<i>Closing Amount as per books (Rs)</i>
<i>1</i>	<i>Punjab National Bank</i>	<i>Fixed deposit – BG – Aviation Department</i>	<i>50,00,000</i>

3. *No direct bank confirmations for current / savings bank accounts and fixed deposits of the Company have been received. However, we have been provided with the bank statements / bank confirmations from the Company for the above for our verification.*
4. *Balances of Debtors, creditors, and advances received & given and deposits received & given are subject to confirmations and reconciliations.*

5. *The internal audit report, for the year ended 31st March 2022, has not been shared with us.*
6. *The report for physical verification of Inventory, as on 31st March 2022, has not been shared with us. Hence we are unable to comment on the correctness of the quantity of inventory.*
7. *The inventory as on 31st March 2022, stands at Rs 185 crores as per books of accounts. We have not been given the stock records of Rs 133.97 crores. Further, out of this we have not been given details of inventory valuation of Rs 59.77 crores. Hence we cannot give our opinion on the correctness of the quantum and valuation of inventory.*
8. *In our opinion, a provision of Rs 23.76 crores (Rs 37.05 crores in March 2021) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company) as on 31st March 2022.*
9. *The Company has shown Rs 8.36 crores receivable from State Bank of India. However no documentation or confirmation has been received by us in respect of the same. This has been shown as an asset in the financials under Other Bank Balances (Note 9(iii))*
10. *The Company had done a One Time Settlement (OTS) with the consortium of Banks led by State Bank of India. The Consortium of Banks has given their No Dues Certificate and has confirmed that no dues are recoverable from the Company, with respect to these 0.10% Cumulative redeemable preference shares. However, the financials still show the liability for 0.10% Cumulative redeemable preference shares of Rs 127.63 crores, as on 31st March 2022, under non current "Other financial liabilities".*
11. *The books of accounts have an accumulated amount of Rs 66.94 lacs as interest accrued and due towards MSME parties since a few years. The same has not been paid until date. Further, no provision for interest has been made for the years ended 31st March 2021 and 31st March 2022.*
12. *Further, the books of accounts have an opening provision for Leave encashment of Rs 46.71 lacs & an opening provision for Gratuity of Rs 90.86 lacs. No further provision is being made for the year ended 31st March 2022 and no actuarial valuation has been done by the Company.*
13. *Income tax returns for the Company have not been filed since March 2020.*

Emphasis of Matter in the audit report of the Subsidiary Company – Maithan Ispat Limited

1. *The 10% Cumulative redeemable preference shares of Rs 30 crores, as on 31st March 2022, have been valued based on a third party valuation report based on the present values of the liability using the discounted cash flows taking the discounting rate as 12%. This valuation report has been provided to us by the Company and we have relied on this report. We have not conducted any independent review of the valuation as provided. The interest / dividend due on the above CRPS have been accounted for in the books as on 31st March 2022.*
2. *We have relied on the list of legal cases and the related contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.*

3. *The total assets of the company stand at Rs 797.14 crores (Rs 670.97 crores as on 31st March 2021), and the total liabilities as on 31st March 2022 are Rs 671.60 crores (Rs 818.46 crores as on 31st March 2021). The accumulated losses for the company as on 31st March 2022 are Rs 658.61 crores (Rs 931.65 crores as on 31st March 2021) and the Net worth is positive Rs 125.53 crores (negative Rs 147.50 crores as on 31st March 2021).*

During the year, all dues of the banks have been settled vide a One Time Settlement (OTS) between the Company and its lenders. We have also been provided with a letter dated 16th November 2021, issued by the State Bank of India, stating that the loan accounts of the Company held with the banks have been settled and closed under compromise, sanctioned by the competent authority of individual member banks. Further, the company has also received the consent to operate in October 2021 and has started the procedure for procurement of raw materials for manufacturing and has made Sales since January 2022. Hence, based on the above, the Company can be considered as a Going Concern.

4. *There are fixed assets under capital work in progress for the Company, amounting to Rs 21.86 crores (Rs 46.17 crores as on 31st March 2021). They have not been capitalized since more than 5 years. During the year, the Company has reviewed the same and has capitalized the assets where applicable. As informed to us, the balance would be capitalized as and when the assets would be completed, which include assets relating to electric arc furnace and rebar mill.*

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

Other CARO based Qualifications for Subsidiary Company – Maithan Ispat Limited

- (a) *As per the information and explanation given to us, the property, plant and equipment have not been physically verified by the management during the year.*
- (b) *We have not been able to verify the title deeds of all the immovable properties. Further, the movable and immovable assets are charged against the loans taken by the Company.*
- (c) *As per the information provided to us, Inventory has not been physically verified by the management during the year.*
- (d) *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, there are old 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, which are pending to be deposited with the appropriate authorities.*
- (e) *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, VAT, Entry Tax, Customs duty, GST, Income Tax & Electricity Duty as at March 31st, 2022 have not been deposited with appropriate authorities and no provision has been made for the same in the financials.*

Details are as follows:

Sr. No.	Dues pertaining to	March 2022 - Amount (In Crores)	March 2021 - Amount (In Crores)	Forum where dispute is pending
1	Excise Duty	17.06	17.06	Various Excise Authorities
2	Service Tax	0.02	0.06	
3	Central Sales Tax	1.80	1.80	Various Authorities
4	VAT	0.29	0.19	Various Authorities
5	Custom Duty	23.48	23.39	Various Authorities
6	Income Tax	67.25	35.49	Various Authorities
7	Electricity Duty	52.86	9.47	High Court of Orissa
8	GST	241.73	-	State and Central Authority
	Total	404.50	87.46	

- (f) *As per Section 138 of the Companies Act, read with Rule 13, the Company, for the financial year 2022, is required to have an internal audit system in place. However as informed to us, no Internal auditors have been appointed by the Company.*

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 profit 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

ARUN TODARWAL & ASSOCIATES LLP

Chartered Accountants

Mumbai

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.

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.

For and on behalf of

Arun Todarwal & Associates LLP,

Chartered Accountants

ICAI Reg No : W100291

Arun Todarwal

Partner

M. No. : 032822

UDIN: 22032822BFCPKD6611

Dated: 8th December, 2022

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 books of Holding Company – Mideast Integrated Steels Limited

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

Bank balances:

<i>Srn</i>	<i>Bank Name</i>	<i>Location</i>	<i>Closing Amount as per books (Rs)</i>
1	Central Bank Of India A/c 3096464776	BBSR	11,783
2	Central Bank Of India A/c 3078895874	Bhopal	49,158
3	Uco Bank A/c 20990210000038	Rewa	4,657
4	Bank Of Baroda A/c 19720200000744	Katni	-
5	Bank Of India A/c 540020110000056	Keonjhar	15,631
6	Kotak Mahindra Bank A/c 5811655562	Mumbai	-
7	Bank Of Baroda A/c 00290200001372	Kolkata	(7,45,355)
8	State Bank Of India A/c 34137715376	Kolkata	-

Fixed Deposit balances:

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

Loans by Banks, Financial Institutions and Others:

<i>Srn</i>	<i>Particulars</i>	<i>Closing Amount as per books (Rs)</i>
1	Banyan Tree Bank Limited (Foreign currency loan)	(126,775,575)
2	SREI Equipment Finance Ltd	(36,714,320)
3	Unsecured loans (Others)	(174,051,643)
4	Unsecured loans (Promoters)	(105,687,268)

ANNEXURE I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [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	1459.46	1459.46
	2	Total Expenditure	1962.96	1962.96
	3	Net Profit/(Loss)	1155.36	1155.36
	4	Earnings /(Deficit) Per Share	8.38	8.38
	5	Total Assets	13862.32	13862.32
	6	Total Liabilities	13862.32	13862.32
	7	Net Worth	6308.85	6308.85
	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 transactions with its related parties, and has a net intercompany receivables, being loans given, amounting to Rs 27.12 crores as at 31st March 2022 (Rs 28.06 crores as on 31st March 2021), to various related parties. The management has not carried out a detailed impairment assessment as on 31st March 2022, as required by the Ind AS 36.</p> <p>Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on the profit for the year, had the Company performed such impairment assessment.</p> <p>The above loan balances do not include the loan to its subsidiary (MaithanIspat Limited), which has been referred to point no 2 below.</p> <p>2) The Company has loan recoverable from its subsidiary (MaithanIspat Limited). The loan balance stands at Rs 10.04 crores as on 31st March 2022 (Rs 16.63 crores as on 31st March 2021). Regarding these amounts and transactions: We have not been provided with any loan agreement signed with the Subsidiary.</p> <p>The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2022, as required by the Ind AS 36.</p> <p>Accordingly, we are unable to comment on the Carrying</p>		

			<p>value of these receivables, along with the related impairment, if any, and consequential impact thereof on profit for the year, had the Company performed such impairment assessment.</p> <p>3) Besides the loans as mentioned in point no 1 & 2 above, the Company had also given certain advances to its related parties, have debtor based receivables and also expenses reimbursable (ie receivable) from them.</p> <p>The net inter-company receivables, being debtors, reimbursable expenses and advances given, amount to Rs 238.59 crores as at 31st March 2022 (Rs 238 crores as on 31st March 2021). Regarding these amounts and transactions:</p> <ul style="list-style-type: none"> • We have not been provided with the minutes of the audit committee and board meetings for the approval of advances / debtors / sales made amounting to Rs 1.67 crores from the above. • Further, the management has not carried out a Detailed impairment assessment of the above, as on 31st March 2022, as required by the Ind AS 36 <p>Accordingly, we are unable to comment on the carrying value of these receivables, along with the related impairment, if any, and consequential impact thereof on profit for the year, had the Company performed such impairment assessment.</p> <p>4) The Company further has an investment of Rs 179.88 crores in its subsidiary, MaithanIspat Limited. 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 profit for the year had the company performed such impairment assessment.</p> <p>5) In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed an Interim application, before the Honorable Supreme Court of India seeking extension of time for compliance of its orders. During the year, the Company has paid Rs 98.65 crores as payment under protest.</p> <p>No provision has been made for the same in the books of accounts. In our opinion, this compensation has been</p>
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		<p>crystalized and accordingly, a provision for this liability including interest, (net of payment made under protest), should have been made in the books to the extent of Rs 1100.15 crores as on 31st March 2022 (Rs 1118.76 crores as on 31st March 2021).</p> <p>6) Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure III attached herewith. Further, we have not received direct bank confirmations for any of the current accounts / loans and fixed deposits, however, have received the bank statements / confirmations from the Company for our verification.</p> <p>7) Further, the below bank has been closed by the Company in July 2021, however, the books of accounts still have the bank ledger along with some balance</p> <table><tr><th>S.No.</th><th>Bank Name</th><th>Location</th><th>Balance as per Books of accounts</th></tr><tr><td>1</td><td>Uco Bank A/c 17840210002803</td><td>Kolkata</td><td>1,36,466</td></tr></table> <p>8) 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 2022.</p> <p>9) There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31st March 2022. They have not been capitalized since more than 6 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.</p> <p>10) Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.</p> <p>11) In our opinion, a provision for doubtful debts of Rs 26.91 crores (Rs 45.95 crores as on 31st March 2021) 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 2022. No litigation has been initiated by the Company on these balances.</p> <p>12) Internal audit reports have not been shared for our review, by the Company.</p> <p>13) The report for physical verification of Inventory, as on 31st March 2022, has not been shared with us.</p> <p>14) There is an unpaid dividend amount of Rs 2.5 crores which pertains to financial year 2013-14. The same should have been transferred into Investor Education and Protection Fund, however, has not been done by the Company. This amount is yet kept in the Unpaid Dividend account with the</p>	S.No.	Bank Name	Location	Balance as per Books of accounts	1	Uco Bank A/c 17840210002803	Kolkata	1,36,466
S.No.	Bank Name	Location	Balance as per Books of accounts							
1	Uco Bank A/c 17840210002803	Kolkata	1,36,466							

		<p>bank.</p> <p>15) Further, the books of accounts have an opening provision for Leave encashment of Rs 1.39 crores & an opening provision for Gratuity of Rs 6.72 crores. No further provision is being made for the year ended 31st March 2022 and no actuarial valuation has been done by the Company.</p> <p>16) The expenses for Finance cost, Water charges and Electricity duty have not been fully provided for, in the books of accounts during the year, by the Company. In the absence of the quantum of these expenses, we are unable to determine the impact on the profit for the Company, had these expenses been fully provided for in the books for the year.</p> <p>17) The Goods & Service Tax (GST) returns have not been filed by the Company since December 2019.</p> <p>18) In view of the points mentioned at 5 and 11 above, had the Company provided for the matters mentioned therein, the loss after tax for the year ended 31st March 2022 would stand at approximately Rs 1011.54 crores (Penalcompensation & Interest, on account of excess production of Iron Ore, of Rs 1100.15 crores & short provision of doubtful debts of Rs 26.91 crores).</p> <p>Based on the above, the Company may not be considered as a going concern, as after the above effects, its accumulated losses as on 31st March 2022 would have been Rs 866.10 crores and the Net worth would have been negative Rs 496.20 crores.</p>
	Emphasis of Matter	<p>1) An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter is pending arbitration.</p> <p>2) We draw attention to Note 30 of the financials, which describe Rs 718 crores plus interest, due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The matter is subjudice.</p> <p>3) The Company has written back a liability of Rs 125.60</p>

		<p>crores during the year, pertaining to advances received from one party and Rs 11.50 crores against IPICOL liability. However, these matters are yet pending before the High Court and District Court respectively.</p> <p>4) We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.</p> <p>5) We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:</p> <table border="1"> <thead> <tr> <th><i>Company</i></th><th><i>Investment Category</i></th><th><i>Investment Amount (Amount in Rupees)</i></th></tr> </thead> <tbody> <tr> <td><i>Keonjhar Infrastructure Development Company Ltd</i></td><td><i>Investment in equity shares</i></td><td><i>70,000</i></td></tr> <tr> <td><i>Keonjhar Infrastructure Development Company Ltd</i></td><td><i>6% Cumulative redeemable preference shares</i></td><td><i>20,002,000</i></td></tr> <tr> <td><i>Mesco Steel Limited</i></td><td><i>Investment in equity shares</i></td><td><i>100,000,000</i></td></tr> <tr> <td colspan="3"><i>Our opinion is not modified in respect of the above matters</i></td></tr> </tbody> </table>	<i>Company</i>	<i>Investment Category</i>	<i>Investment Amount (Amount in Rupees)</i>	<i>Keonjhar Infrastructure Development Company Ltd</i>	<i>Investment in equity shares</i>	<i>70,000</i>	<i>Keonjhar Infrastructure Development Company Ltd</i>	<i>6% Cumulative redeemable preference shares</i>	<i>20,002,000</i>	<i>Mesco Steel Limited</i>	<i>Investment in equity shares</i>	<i>100,000,000</i>	<i>Our opinion is not modified in respect of the above matters</i>		
<i>Company</i>	<i>Investment Category</i>	<i>Investment Amount (Amount in Rupees)</i>															
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<i>Mesco Steel Limited</i>	<i>Investment in equity shares</i>	<i>100,000,000</i>															
<i>Our opinion is not modified in respect of the above matters</i>																	

	(b)	Type of Audit Qualification	Qualified Opinion and Emphasis of Matter / Disclaimer of Opinion / Adverse Opinion
	(c)	Frequency of qualification	Appeared Fourth 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. 5 and 10.

	(e)	For Audit Qualification(s) where the impact is not quantified by the auditor	Presently Impact of these qualification/emphasis of matter cannot be quantified; Management view on the Audit Qualification and Emphasis of Matter are as under:
		(i). Management's estimation on the	1. The amounts are coming in the financials from previous years and in fact some recovery has also been made

		<p>impact of audit qualification:</p> <p>(ii). If management is unable to estimate the impact, reasons for the same:</p> <p>(iii). Auditors' Comments on (i) or (ii) above.</p>	<p>during the financial year. Further the company is putting in its best efforts to restart the plant soon and the amounts will be recovered either in cash and/or goods. The management has reviewed all assets and liabilities of the company. The assets and liabilities have been valued at receivable and payable value respectively.</p> <ol style="list-style-type: none"> The amounts are not loans to the subsidiary. They are advances given to Maithan Ispat Limited for material supply. But due to non functioning of MISL plant and some investor coming in Maithan Ispat Limited for settlement of loans of Bank through Bank Led action through OTS, the amount is being refunded back to MISL and the company is hopeful to get all these back by end of Financial year 2022-23. So there is no requirement of impairment assessment. The amount of Rs. 1.67 crores consists of sale of material and sale of vehicle. It was informed that the amounts will be recovered from the parties soon. It was informed that Maithan Ispat Ltd has restarted production and thus impairment testing is not being carried out as the net worth of the Company has become positive now. The company has taken legal opinion on the treatment of Compensation as well interest on same from an independent advocate. Accordingly same is being treated as Contingent liability. Further the Company is making payment of compensation under protest by selling of stocks lying with the Company after getting order from Hon'ble Supreme Court. We have deposited with Government an amount of Rs. 362.49 including GST till 31.10.2022) under protest. We have been informed that, as per the policies of the concerned Banks, Bank will provide statement and balance confirmation either by hand or on registered email address of the company only. It will not be possible to change the registered email address to provide direct confirmation to the auditors. We have forwarded all the confirmation as and when received by us.. Further for loan confirmations from SREI as well as Banyan Tree Bank, same cannot be given as they are under litigation As the said account is being closed, the company is working on reconciling the difference of Rs. 1.36 lacs. It was informed that the amount is coming since the year 2018-19. We will get it reworked in the coming Financial year. The Work in progress amount belongs to blast furnace
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		<p>work and PCI work. These amounts will be capitalized once the project is finished.</p> <p>10. The MISL plant is shut down for quiet long and there is no business with the parties. Company is in process to receive the balance confirmation from Debtors, Creditors and loans and advance as given and / or received and/or for the deposits received and given, as soon as same are received by the company, the details will be shared with the Auditors. Further management is of the view that on confirmation/reconciliation of the balances, there will not be any material impact on the state of affairs of the Company. There is lack of resource to carry out detail activity</p> <p>11. The management has conducted ageing analysis during current year and the amount has been reduced to Rs. 26.91 crores. The company will also work on the balance amounts in the upcoming financial year.</p> <p>12. The company ensure that the internal audit report will be provided for the next financial year</p> <p>13. Due to labor unrest and union issues because of closure of plant, physical verification as on 31st March 2022 could not be done. The Company is hopeful to carry same by the end of financial year 2022-23.</p> <p>14. The company has filed form for transfer of amount to IEPF. But the IEPF authority has not rejected the form. We are trying to resolve the issue with IEPF. Otherwise also the amount is in the unpaid dividend account and will be transferred soon.</p> <p>15. The Company will provide for leave encashment and gratuity in the next financial year.</p> <p>16. The Company has settled water charges and has approached the department on settlement of Electricity charges Since the matter is subjudice and hopefully will be sorted out in the current financial year so it will be provided accordingly.</p> <p>17. The payment of outstanding amount of GST is pending and till the time all the payments are made the filing of GST Returns by the Company is not possible.</p> <p>18. The Company has provided the explanation on non crystallization of the amounts and treating it as contingent liability. Thus the net worth of the company is positive.</p> <p>Emphasis of Matter</p> <p>1) The Company was making regular payments to SREI Equipment Finance Limited. Later on due SREI being admitted into NCLT and also due to shut down of plant</p>
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			<p>and COVID situation, the company was unable to make further payments. The matter is subjudice.</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.</p> <p>3) The write back is as per the decree order.</p>								
III	Audit Qualification- MaithanIspat Limited (Subsidiary Company)										
	(a)	Details of Audit Qualification:	<p>1. 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 2022.</p> <p>2. Confirmation for the below fixed deposit has not been received by us:</p> <table border="1"> <tr> <th>S.No.</th><th>Bank Name</th><th>Category</th><th>Closing Amount as per books (Rs)</th></tr> <tr> <td>1</td><td>Punjab National Bank</td><td>Fixed deposit – BG – Aviation Department</td><td>50,00,000</td></tr> </table> <p>3. No direct bank confirmations for current / savings bank accounts and fixed deposits of the Company have been received. However, we have been provided with the bank statements / bank confirmations from the Company for the above for our verification.</p> <p>4. Balances of Debtors, creditors, and advances received & given and deposits received & given are subject to confirmations and reconciliations.</p> <p>5. The internal audit report, for the year ended 31st March 2021, has not been shared with us.</p> <p>6. The report for physical verification of Inventory, as on 31st March 2022, has not been shared with us. Hence we are unable to comment on the correctness of the quantity of inventory.</p> <p>7. The inventory as on 31st March 2022, stands at Rs 185 crores as per books of accounts. We have not been given the stock records of Rs 133.97 crores. Further, out of this we have not been given details of inventory valuation of Rs 59.77 crores. Hence we cannot give our opinion on the correctness of the quantum and valuation of</p>	S.No.	Bank Name	Category	Closing Amount as per books (Rs)	1	Punjab National Bank	Fixed deposit – BG – Aviation Department	50,00,000
S.No.	Bank Name	Category	Closing Amount as per books (Rs)								
1	Punjab National Bank	Fixed deposit – BG – Aviation Department	50,00,000								

			<p>inventory.</p> <p>8. In our opinion, a provision of Rs 23.76 crores (Rs 37.05 crores in March 2021) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company) as on 31st March 2022.</p> <p>9. The Company has shown Rs 8.36 crores receivable from State Bank of India. However no documentation or confirmation has been received by us in respect of the same. This has been shown as an asset in the financials under Other Bank Balances (Note 9(iii))</p> <p>10. The Company had done a One Time Settlement (OTS) with the consortium of Banks led by State Bank of India. The Consortium of Banks has given their No Dues Certificate and has confirmed that no dues are recoverable from the Company, with respect to these 0.10% Cumulative redeemable preference shares. However, the financials still show the liability for 0.10% Cumulative redeemable preference shares of Rs 127.63 crores, as on 31st March 2022, under non current “Other financial liabilities”.</p> <p>11. The books of accounts have an accumulated amount of Rs 66.94 lacs as interest accrued and due towards MSME parties since a few years. The same has not been paid until date. Further, no provision for interest has been made for the years ended 31st March 2021 and 31st March 2022.</p> <p>12. Further, the books of accounts have an opening provision for Leave encashment of Rs 46.71 lacs & an opening provision for Gratuity of Rs 90.86 lacs. No further provision is being made for the year ended 31st March 2022 and no actuarial valuation has been done by the Company.</p> <p>13. Income tax returns for the Company have not been filed since March 2020.</p> <p>Emphasis of Matter</p> <p>1. The 10% Cumulative redeemable preference shares of Rs 30 crores, as on 31st March 2022, have been valued based on a third party valuation report based on the present values of the liability using the discounted cash flows taking the discounting rate as</p>
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			12%. This valuation report has been provided to us by the Company and we have relied on this report. We have not conducted any independent review of the valuation as provided. The interest / dividend due on the above CRPS have been accounted for in the books as on 31st March 2022.
	(b)	Type of Audit Qualification	Qualified Opinion and Emphasis of Matter / Disclaimer of Opinion / Adverse Opinion
	(c)	Frequency of qualification	Appeared Fourth 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 10.
			<ol style="list-style-type: none"> 1 There is no change in last year figure of 139.80 crores. Further Company has restarted its plant. So now the calculation of deferred tax assets will be provided for FY 2022-23. 2 The FDR for Bank Guarantee was given by the company. Since an OTS has been done, the company couldn't get the confirmation from the Bank. 3 As per bank policies Bank will provide statement and confirmation either by hand or on registered email address. Therefore, it is not possible to change registered email address to provide direct confirmation to auditors. We have forwarded all the confirmation received by us to the auditors. 4 Since the company was not working and there was very limited staff and the confirmations require proper follow up so same could not be done. But now the company has restarted, the company will try to get them for FY 2022-23 5 The company has started its operations now and same will be conducted in the coming financial year 2022-23. 6 The company has started its operations now and same will be conducted in the coming financial year 2022-23. 7 The management informed that same will be provided in the coming financial year 2022-23. 8 The Company has written off and written back some old non moving debtor & supplier balances in the current year and the rest of amount will be reviewed in the financial year 2022-23. 9 Since an OTS has been done, the company couldn't get the confirmation from the Bank. The company will try to get it by FY 2022-23 10 OTS has been successfully concluded with the Bank and No dues certificates has been received from banks for

			<p>loan amounts and for. In due course it will be adjusted and same will be extinguished/ CRPS amount redeemed accordingly.</p> <p>11 The Company will come up with the provisions in the next financial year 2022-23.</p> <p>12 The company was non operational due to bank taking over the plant. So now the company is operational, we will provide for further leave encashment and gratuity in the next financial year.</p> <p>13 Due to lack of staff and very less monitoring of the company due to closure of plant, same could not be done. But now the company will file its income tax returns.</p>
	<p>Signatories:</p> <ul style="list-style-type: none"> <p>• Chairman & Managing Director (Rita Singh)</p> <p>• Audit Committee Chairman (Hawa Singh Chahar)</p> <p>• Statutory Auditor (Arun Tadarwal)</p> <p style="text-align: right;">For Arun Tadarwal & Associates LLP</p> <p style="text-align: right;">Chartered Accountants</p> <p style="text-align: right;">ICAI Reg No.: W100291</p> <p>Place: New Delhi</p> <p>Date: 8 December, 2022</p>		