

04.01.2022

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

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

Scrip ID: MESCON

SCRIP CODE: 540744

**Sub: Submission of Consolidated Statement on Impact of Audit Qualification**

Dear Sir,


With reference to your mail dated 03.01.2022 in respect of submission of Statement of Impact of Audit Qualification for Consolidated results for the year ended on 31.03.2021.

We are hereby submitting the Audited Financial results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2021 along with Audit Reports duly considered and approved by the Board of Directors at their meeting held at New Delhi on Monday, 06<sup>th</sup> December, 2021

Further the statement on impact of audit qualification for consolidated financial results is also enclosed. These results are also being made available on the website of the Company at [www.mescosteel.com](http://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**

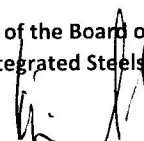
Corporate Identity No. - L74899DL1992PLC050216

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  
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**Mideast Integrated Steels Limited**  
**Standalone Statement of Assets and Liabilities as at 31 March, 2021**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	7,080.42	7,496.36
Capital work-in-progress	244.68	244.68
Non current investments	1,918.92	1,918.92
Financial assets		
Security deposits	48.94	59.32
Other financial assets	2,535.37	2,569.26
Other non current assets	792.32	812.32
<b>Current assets</b>		
Inventories	731.81	922.89
Financial assets		
Trade receivables	615.53	663.50
Cash and cash equivalents	162.78	154.15
Advances	207.52	678.91
Other financial assets	300.27	300.99
	<b>14,638.56</b>	<b>15,821.30</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,378.75	1,378.75
Other equity		
Securities premium	677.70	677.70
Retained earnings	1,454.43	2,303.30
Other reserve	1,642.61	1,642.61
<b>Total Equity</b>	<b>5,153.49</b>	<b>6,002.36</b>
<b>Non current liabilities</b>		
Financial liabilities		
Borrowings	289.57	321.00
Other financial liabilities	4,983.39	4,997.76
Deferred tax liabilities (net)	739.48	739.48
Employee benefit obligations	69.65	61.29
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	1,869.79	2,327.25
Other financial liabilities	1,521.81	1,363.10
Employee benefit obligations	11.39	9.07
	<b>14,638.56</b>	<b>15,821.30</b>

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



Rita Singh  
Chairperson cum Managing Director

Place : New Delhi  
Date : 06.12.2021

**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, 2021**

Sr. No.	Particulars	Quarter ended			Year ended		
		31/03/2021	31/12/2020	31/03/2020	31/03/2021	31/03/2020	
		Audited Rs. in Mn	Unaudited Rs. in Mn	Audited Rs. in Mn	Audited Rs. in Mn	Audited Rs. in Mn	
1	Revenue from Operations	1,233.93	343.85	43.50	1,922.21	4,017.44	
2	Other Income	46.77	8.60	213.50	69.37	455.78	
3	<b>Total Income (1+2)</b>	<b>1,280.70</b>	<b>352.45</b>	<b>257.00</b>	<b>1,991.58</b>	<b>4,473.22</b>	
4	<b>Expenses</b>						
	(a) Cost of materials consumed	(17.81)	-	(12.62)	-	3,561.27	
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(42.09)	122.96	21.08	199.38	90.07	
	(c) Employee benefits expense	78.84	20.53	84.94	116.78	258.41	
	(d) Finance cost	9.12	0.46	11.07	10.20	17.43	
	(e) Depreciation and amortisation expense	(5.41)	140.45	144.22	415.95	561.87	
	(f) Other expenses	2,032.80	26.30	112.81	2,080.42	521.88	
	<b>Total Expenses</b>	<b>2,055.45</b>	<b>310.70</b>	<b>361.50</b>	<b>2,822.73</b>	<b>5,010.93</b>	
5	<b>Profit / (Loss) from operations before exceptional items (3-4)</b>	<b>(774.75)</b>	<b>41.75</b>	<b>(104.50)</b>	<b>(831.16)</b>	<b>(537.69)</b>	
6	Exceptional items	-	-	-	-	-	
7	<b>Profit / (Loss) before tax (5+6)</b>	<b>(774.75)</b>	<b>41.75</b>	<b>(104.50)</b>	<b>(831.16)</b>	<b>(537.69)</b>	
8	Tax expense:	-	5.00	15.00	20.00	60.00	
9	<b>Net Profit / (Loss) after tax (7-8)</b>	<b>(774.75)</b>	<b>36.75</b>	<b>(119.50)</b>	<b>(851.16)</b>	<b>(597.69)</b>	
10	Other Comprehensive Income	1.03	0.50	0.57	2.28	1.32	
11	<b>Total Comprehensive Income / (Loss) (9+10)</b>	<b>(773.72)</b>	<b>37.25</b>	<b>(118.93)</b>	<b>(848.88)</b>	<b>(596.37)</b>	
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	(5.62)	0.27	(0.87)	(6.17)	(4.34)	
	- Diluted	(5.62)	0.27	(0.87)	(6.17)	(4.34)	

- 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 06.12.2021
- 2 The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and March 31, 2020 and the unaudited published year-to-date figures upto December 31, 2020 and December 31, 2019 respectively 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 during the reporting quarter. Provision for the above compensation along with interest has not been made in the books of accounts. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 211 cores including GST till March 2021 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).

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



Rita Singh  
Chairperson cum Managing Director

Place : New Delhi  
Date : 06.12.2021



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

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

Place : New Delhi  
Date : 06.12.2021

Rita Singh  
Chairperson cum Managing Director

**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 31<sup>st</sup> March 2021 and the year to date results for the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2021 as well as the year to date results for the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

**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 27.98 crores as at 31<sup>st</sup> March 2021 (Rs 28.22 crores as on 31<sup>st</sup> March 2020), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions, the management has not carried out a detailed impairment assessment as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36.*

*Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and*

*consequential impact thereof on loss for the year, had the Company performed such impairment assessment.*

- 2) *The Company, during the financial year, has given further loan to its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 16.63 crores as on 31<sup>st</sup> March 2021 (Rs 16.10 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*

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

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

- 3) *Besides the loans as mentioned in point no 1 above, the Company had also given certain advances to its related parties and has debtor based receivables from them. The net inter-company receivables, being debtors and advances given, amount to Rs 28 crores as at 31<sup>st</sup> March 2021 (Rs 28 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*

- Out of the above, we have not been provided with the minutes of the meetings for the approval of advances / debtors amounting to Rs 0.67 crores, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*
- The management has not carried out a detailed impairment assessment of Rs 28 crores, as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36.*

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

- 4) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31<sup>st</sup> March 2021, the net worth is completely eroded and is negative at Rs 147.50 crores and the liabilities exceed the assets of the subsidiary company by Rs 147.50 crores. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the year had the company performed such impairment assessment.*

- 5) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the*

*mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. During the year, the Company has paid Rs 164 crores as payment under protest.*

*In our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest (net of payment made under protest), upto date of the balance sheet, of Rs 489.87 crores, making the total liability provision of Rs 1413.87 crores as on 31<sup>st</sup> March 2021 (Rs 1395.47 crores as on 31<sup>st</sup> March 2020). In case the above provision had been made in the books, the loss would stand at Rs 1498.75 crores as on 31<sup>st</sup> March 2021 (Loss would be Rs 1455 crores as on 31<sup>st</sup> March 2020).*

- 6) Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure I attached herewith. Further, we had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure II attached herewith.*
- 7) The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2021.*
- 8) There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31<sup>st</sup> March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 9) Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 10) In our opinion, a provision for doubtful debts of Rs 45.95 crores (Rs 41.38 crores as on 31<sup>st</sup> March 2020) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2021. No litigation has been initiated by the Company on these balances.*

#### **Other CARO based Qualifications**

- 1) As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*
- 2) According to the explanation given to us, the title deeds of immovable properties are held in the name of the company. However, we have not been able to verify the documents of the same.*

- 3) *According to information and explanation given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act, however in our opinion:*
- The terms and conditions of the grant of such loans are prejudicial to the company's interest as no interest is being charged on the same upto year ended 31st March 2021.*
  - There is no schedule of repayment of principal and payment of interest that has been stipulated.*
- 4) *With respect to Section 185, the Company has advanced loans, including any loan represented by a book debt to those related parties where the director / directors of the Company are interested; however in the absence of sufficient information, we cannot give our opinion if the loans are utilised by the borrowing companies for their principal business activities.*
- 5) *In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, details are as below:*

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

- 6) *According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India, undisputed statutory dues in respect of Income Tax and Custom duty, if any, has been deposited with the appropriate authorities, however the dues with respect to the Provident fund, employees' state insurance and any other employee related liability, Value added tax, Cess, Entry tax and GST has not been deposited since April 2020.*
- 7) *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, Entry Tax and Customs duty as at March 31st, 2021 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:*

**ARUN TODARWAL & ASSOCIATES LLP**

Chartered Accountants

Mumbai

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

**Emphasis of Matter**

- 1) An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter will be coming for the first time before Kolkata High court.
- 2) We draw attention to Note 31 of the financials, which describe Rs 718.89 crores plus interest, due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.
- 3) We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.
- 4) We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:

<b>Company</b>	<b>Investment Category</b>	<b>Investment Amount (Amount in Rupees)</b>
Keonjhar Infrastructure	Investment in equity shares	70,000

<i>Development Company Ltd</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

**ARUN TODARWAL & ASSOCIATES LLP**

Chartered Accountants

Mumbai

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

Place: Mumbai

UDIN: 21032822AAAAAL9734



**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 and Fixed Deposit balances:**

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

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

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

**ARUN TODARWAL & ASSOCIATES LLP**

Chartered Accountants

Mumbai

**ANNEXURE II 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 direct balance confirmations have not been provided to us for verification:*****Bank balances:**

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

**Fixed Deposit balances:**

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

**Loans by Banks:**

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

**Mideast Integrated Steels Limited**  
**Consolidated Statement of Assets and Liabilities as at 31 March, 2021**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in Mn	₹ in Mn
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,370.18	11,045.80
Capital work-in-progress	706.35	706.35
Non-current investments	120.10	120.10
<b>Financial assets</b>		
Security deposits	103.11	113.49
Other financial assets	2,369.02	2,408.26
Other non current assets	1,098.08	1,118.09
Deferred tax asset (Subsidiary)	1,398.05	1,398.05
<b>Current assets</b>		
Inventories	1,673.30	1,864.39
<b>Financial assets</b>		
Trade receivables	364.40	413.15
Cash and cash equivalents	253.85	277.50
Advances	298.53	678.91
Other financial assets	363.40	456.44
	<b>19,118.38</b>	<b>20,600.51</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,378.75	1,378.75
<b>Other equity</b>		
Securities premium	677.70	677.70
Retained earnings	(2,638.98)	(1,383.27)
Other reserves	1,642.61	1,642.61
Equity attributable to Equity shreholders of Parent	1,060.08	2,315.79
Non-controlling interest	1,265.02	1,133.30
<b>Total Equity</b>	<b>2,325.10</b>	<b>3,449.09</b>
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	3,441.91	3,473.28
Other financial Liabilities	4,983.39	4,997.76
Deferred tax liabilities	739.48	739.48
Employee benefit obligations	77.88	69.52
Capital reserves on consolidation	938.64	927.14
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Trade payables	2,878.52	3,348.82
Other financial liabilities	3,716.53	3,580.84
Employee benefit obligations	16.92	14.60
	<b>19,118.35</b>	<b>20,600.53</b>

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

Rita Singh

Chairperson cum Managing Director

Place : New Delhi

Date : 6 December 2021

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

Sr. No.	Particulars	Year ended	Q ended	Year ended
		31/3/2021	31/3/2021	31/3/2020
		Audited	Audited	Audited
		Rs. in Mn	Rs. in Mn	Rs. in Mn
1	Revenue from Operations	1,922.21	1,253.93	4,029.33
2	Other Income	69.37	46.77	478.95
3	<b>Total Income (1+2)</b>	<b>1,991.59</b>	<b>1,300.71</b>	<b>4,508.28</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	-	(17.81)	3,556.92
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	199.39	(42.08)	132.86
	(c) Employee benefits expense	116.88	78.94	274.07
	(d) Finance cost	159.14	158.06	106.24
	(e) Depreciation and amortisation expense	675.64	58.60	822.78
	(f) Other expenses	2,083.46	2,033.90	552.08
	<b>Total Expenses</b>	<b>3,234.52</b>	<b>2,269.61</b>	<b>5,444.95</b>
5	<b>Profit / (Loss) from operations before exceptional items (3-4)</b>	<b>(1,242.93)</b>	<b>(968.89)</b>	<b>(936.67)</b>
6	Exceptional items	-	-	-
7	<b>Profit / (Loss) before tax (5+6)</b>	<b>(1,242.93)</b>	<b>(968.89)</b>	<b>(936.67)</b>
8	<b>Tax expense:</b>	<b>20.00</b>	<b>-</b>	<b>60.00</b>
9	<b>Net Profit / (Loss) after tax (7-8)</b>	<b>(1,262.93)</b>	<b>(968.89)</b>	<b>(996.67)</b>
10	Other Comprehensive Income	2.18	0.93	0.49
11	<b>Total Comprehensive Income / (Loss) (13+14)</b>	<b>(1,260.75)</b>	<b>(967.96)</b>	<b>(996.18)</b>
12	<b>Earning Per Share (in Rs.)</b>			
	- Basic	(9.16)	(7.03)	(7.23)
	- Diluted	(9.16)	(7.03)	(7.23)

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 6, 2021

2 In pursuance to the Judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 (Common Cause v/s Union of India & Others), an amount of ₹ 924.75 crores has been imposed on the Company towards 'Compensation' as determined in the said Judgement which was to be paid by 31st December 2017, even though the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018. The Company had filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement in March 2018 however the petition has been dismissed by the Supreme Court during the reporting quarter. Provision for the above compensation along with interest has not been made in the books of accounts. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 211 crores including GST till March 2021 under protest towards Penalty amount.

There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in the High Court. The Company is 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

Rita Singh

Chairperson cum Managing Director

Place : New Delhi

Date : 6 December 2021

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

	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	₹ in Mn	₹ in Mn	₹ in Mn	₹ in Mn
<b>A. Cash flow from operating activities</b>		-1,242.93		-936.68
Net Profit / (Loss) before extraordinary items and tax				
Adjustments for				
Depreciation and amortisation	675.64		822.78	
Finance costs	159.14		39.52	
Interest income	(7.77)		(5.71)	
Rental income	-0.91		(42.03)	
Liabilities / provisions no longer required written back	-12.42		-416.11	
Net unrealised exchange (gain) / loss	-18.67		50.67	
		795.00		449.12
Operating profit / (loss) before working capital changes		-447.93		-487.56
Adjustments for (increase) / decrease in operating assets				
Inventories	191.09		240.19	
Trade receivables	48.76		146.82	
Short-term loans and advances	380.37		-120.36	
Long-term loans and advances	39.24		-42.56	
Other non-current assets	30.39		60.00	
Other current assets	93.05		-20.11	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(461.42)		-673.70	
Other current liabilities	-		-	
Other long-term liabilities	(14.37)		-39.51	
Short-term provisions	2.32		-0.08	
Long-term provisions	8.35		-4.68	
		317.79		(454.00)
Cash generated from operations		-130.14		-941.55
Net income tax (paid) / refunds			-55.97	(103.23)
<b>Net cash flow from / (used in) operating activities (A)</b>		-130.14		-997.52
<b>B. Cash flow from investing activities</b>				
Purchase/Sale of fixed assets including capital advance	0.01		(4.06)	
Rental receipt	0.91		42.03	
Interest received	7.77		5.81	
(Investment in fixed deposit)/Proceeds from fixed deposits	183.59		306.56	
		192.28		350.34
<b>Net cash flow from / (used in) investing activities (B)</b>		192.28		350.34
<b>C. Cash flow from financing activities</b>				
Proceeds/(Repayment) of borrowings	(159.14)		300.32	
Finance cost	-	(159.14)	(33.69)	266.63
<b>Net cash flow from / (used in) financing activities (C)</b>		(159.14)		266.63
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		-97.00		-380.55
Cash and cash equivalents at the beginning of the year		122.99		503.55
<b>Cash and cash equivalents at the end of the year</b>		25.99		122.98

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

Rita Singh

Chairperson cum Managing Director

Place : New Delhi

Date : 6 December 2021

**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 31<sup>st</sup> March 2021 and for the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

a. includes the results of the following entities:

Maithan Ispat Limited – Subsidiary;

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

c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net loss and other comprehensive loss) and other financial information of the Group for the quarter ended 31<sup>st</sup> March 2021 and for the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

**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 27.98 crores as at 31<sup>st</sup> March 2021 (Rs 28.22 crores as on 31<sup>st</sup> March 2020), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions, the management has not carried out a detailed impairment assessment as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36.*

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

- 2) *The Company, during the financial year, has given further loan to its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 16.63 crores as on 31<sup>st</sup> March 2021 (Rs 16.10 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*
- We have not been provided with any loan agreement signed with the Subsidiary.*
  - The management has not carried out a detailed impairment assessment of the Subsidiary as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36, even though the subsidiary has its operations suspended since January 2019.*

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

- 3) *Besides the loans as mentioned in point no 1 above, the Company had also given certain advances to its related parties and has debtor based receivables from them. The net inter-company receivables, being debtors and advances given, amount to Rs 28 crores as at 31<sup>st</sup> March 2021 (Rs 28 crores as on 31<sup>st</sup> March 2020). Regarding these amounts and transactions:*
- Out of the above, we have not been provided with the minutes of the meetings for the approval of advances / debtors amounting to Rs 0.67 crores, hence we cannot comment if any approval for the same has been taken in the audit committee and board.*
  - The management has not carried out a detailed impairment assessment of Rs 28 crores, as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, as required by the Ind AS 36.*

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

- 4) *The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31<sup>st</sup> March 2021, the net worth is completely eroded and is negative at Rs 147.50 crores and the liabilities exceed the assets of the subsidiary company by Rs 147.50 crores. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the year had the company performed such impairment assessment.*
- 5) *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. During the year, the Company has paid Rs 164 crores as payment under protest.*

*In our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest (net of payment made under protest), upto date of the balance sheet, of Rs 489.87 crores, making the total liability provision of Rs 1413.87 crores as on 31<sup>st</sup> March 2021 (Rs 1395.47 crores as on 31<sup>st</sup> March 2020). In case the above provision had been made in the books, the loss would stand at Rs 1498.75 crores as on 31<sup>st</sup> March 2021 (Loss would be Rs 1455 crores as on 31<sup>st</sup> March 2020).*

- 6) *Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure I attached herewith. Further, we had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure II attached herewith.*
- 7) *The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2021.*
- 8) *There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31<sup>st</sup> March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 9) *Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*



- 10) *In our opinion, a provision for doubtful debts of Rs 45.95 crores (Rs 41.38 crores as on 31<sup>st</sup> March 2020) needs to be made against the balances of non-moving old Debtors & Creditors (where advances have been given by the Company), as on 31st March 2021. No litigation has been initiated by the Company on these balances.*

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

- 1) *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*
- 2) *According to the explanation given to us, the title deeds of immovable properties are held in the name of the company. However, we have not been able to verify the documents of the same.*
- 3) *According to information and explanation given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act, however in our opinion:*
  - *The terms and conditions of the grant of such loans are prejudicial to the company's interest as no interest is being charged on the same upto year ended 31st March 2021.*
  - *There is no schedule of repayment of principal and payment of interest that has been stipulated.*
- 4) *With respect to Section 185, the Company has advanced loans, including any loan represented by a book debt to those related parties where the director / directors of the Company are interested; however in the absence of sufficient information, we cannot give our opinion if the loans are utilised by the borrowing companies for their principal business activities.*
- 5) *In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, details are as below:*

<i><b>Srn</b></i>	<i><b>Bank / Financial Institution</b></i>	<i><b>Default Amount</b></i>	<i><b>Currency</b></i>	<i><b>Default made for the month of</b></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 2020
3	BanyanTree Bank Limited (Loan no 0126)	1,16,666	USD	September 2020 & March 2021
4	BanyanTree Bank Limited (Loan no 0046)	1,16,667	USD	June & December 2020
5	ICICI Bank Limited (Loan no LADEL000306009235)	1,71,798	INR	One month installment not

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				<i>paid</i>
6	ICICI Bank Limited (Loan no LAMUM00034985074)	42,750	INR	One month installment not paid

- 6) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India, undisputed statutory dues in respect of Income Tax and Custom duty, if any, has been deposited with the appropriate authorities, *however the dues with respect to the Provident fund, employees' state insurance and any other employee related liability, Value added tax, Cess, Entry tax and GST has not been deposited since April 2020.*
- 7) *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, Entry Tax and Customs duty as at March 31st, 2021 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:*

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

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

- 1) *An application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended) has been filed by SREI Equipment Finance Limited, in August 2021, in relation to a Loan-Cum-Hypothecation Agreement dated 8 September 2016, whereby the Company had taken a loan for purchase of a Metso Crusher 600 TPH Engine amounting to Rs.7.92 crores. The petitioner has claimed an outstanding sum of Rs.4.40 crores in the said application. The Company's books of accounts show a liability of Rs 3.60 crores. The petitioner has sought for appointment of Receiver and securing the hypothecated assets. This matter will be coming for the first time before Kolkata High court.*

- 2) We draw attention to Note 31 of the financials, which describe Rs 718.89 crores plus interest, due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.
- 3) We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.
- 4) We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:

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

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 total assets of the company stand at Rs 670.97 crores (Rs 700.30 crores as on 31st March 2020), and the total liabilities as on 31st March 2021 are Rs 818.46 crores (Rs 806.60 crores as on 31st March 2020). The accumulated losses for the company as on 31st March 2021 are Rs 931.65 crores (Rs 890.45 crores as on 31st March 2020) and the Net worth is negative Rs 147.50 crores (negative Rs 106.31 crores as on 31st March 2020).

The plant has been shut down since January 2019 and has not yet started its activities at the end of the reporting year. The banks have stopped all working capital funding into the Company. The Company has not been able to meet its obligations of repayments of loans towards banks during the year. They have also not been able to meet its obligations towards other statutory liabilities. There is no recovery made from pending debtors, nor any creditors have been paid off. There are no new sales made and the stock of inventory has no movement in it.

*Taking the above facts into consideration, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, subsequent to the year end, we have been informed by the Company that all dues of the banks have been settled. We have also been provided with a letter dated 16<sup>th</sup> November 2021, issued by the State Bank of India, stating that the loan accounts of the Company held with the banks have been settled and closed under compromise, sanctioned by the competent authority of individual member banks. Further, the company has also received the consent to operate in October 2021 and has started the procedure for procurement of raw materials for manufacturing.*

- 2. The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2021.*
- 3. Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure III attached herewith.*
- 4. Upon verification of the banks, loans and fixed deposits balance in books, with the balance confirmations as provided to us by the Company, there have been certain discrepancies, which have not been explained to us nor any reconciliation has been shared with us. Details are as per Annexure IV attached herewith.*
- 5. We had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure V attached herewith.*
- 6. We have received the balance confirmation of the below bank from the Company, however, the same could not be found in the books of accounts of the Company:*

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

- 7. The internal audit report, for the year ended 31st March 2021, has not been shared with us*
- 8. Balances of Debtors, creditors, loans & advances received & given and deposits received & given are subject to confirmations and reconciliations.*
- 9. There are fixed assets under capital work in progress for the Company, amounting to Rs 46.17 crores as on 31st March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.*
- 10. In our opinion, a provision of Rs 37.05 crores (Rs 37.05 crores in March 2020) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company, including capital advances) as on 31<sup>st</sup> March 2021.*
- 11. We have not been provided with the stock valuation working, nor the stock physical verification report, as on 31<sup>st</sup> March 2021. Hence we are unable to comment on the correctness of the quantity*

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as well as valuation taken as on 31<sup>st</sup> March 2021. The total value of closing stocks is shown at Rs 94.15 crores as on 31<sup>st</sup> March 2021.

12. The below fixed deposit balances as per books of accounts have a credit balance (ie negative balance, instead of a debit balance):

<b>Srn</b>	<b>Bank Name</b>	<b>Category</b>	<b>Location</b>	<b>Closing Amount as per books (Rs)</b>	<b>Remarks</b>
1	Allahabad Bank	FD for LC Margin	Kolkata	(68,19,074)	No bank confirmation has been received for this
2	State Bank of India	Fixed Deposit	Kolkata	(87,789,151)	Bank confirmation (received via company) shows NIL amount

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

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

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

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

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

1. The 0.1 % Cumulative redeemable preference shares of Rs 355 crores and the 10% Cumulative redeemable preference shares of Rs 30 crores, as on 31<sup>st</sup> March 2021, have been valued based on a third party valuation report based on the present values of the liability using the discounted cash flows taking the discounting rate as 12%. This valuation report has been provided to us by the Company and we have relied on this report. We have not conducted any independent review

*of the valuation as provided. The interest / dividend due on the above CRPS have been accounted for in the books as on 31st March 2021.*

2. *We have relied on the list of legal cases and the related contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.*

Our opinion is not modified for the above.

#### **Other CARO based Qualifications for Subsidiary Company – Maithan Ispat Limited**

1. *As per the information and explanation given to us, the fixed assets have not been physically verified by the management during the year.*
2. *According to the information and explanation given to us, the title deeds of immovable properties are held in the name of the company. However, we have not been able to verify the documents for the same. Further, certain assets are charged against the loans taken by the Company, and upon non payment of the dues, they have been taken over by the consortium of banks (lenders) as on 31<sup>st</sup> March 2021.*
3. *As per the information provided to us, Inventory has not been physically verified by the management during the year.*
4. *According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, GST and other statutory dues, if any, applicable to it, has not been deposited with the appropriate authorities since March 2019.*
5. *According to the records of the Company, the disputed dues in respect of Excise Duty, Service Tax, Sales Tax, VAT, Entry Tax, Customs duty, Income Tax & Electricity Duty as at March 31st, 2021 have not been deposited with appropriate authorities and no provision has been made for the same. Details are as follows:*

<b>Sr. No.</b>	<b>Dues pertaining to</b>	<b>March 2021 - Amount (In Crores)</b>	<b>March 2020 - Amount (In Crores)</b>	<b>Forum where dispute is pending</b>
1	Excise Duty & Service Tax	17.12	17.12	Various Excise Authorities
2	Sales Tax, VAT	1.99	1.99	Various Authorities
4	Custom Duty	23.39	23.39	Various Authorities
5	Income Tax			Various

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		35.49	35.49	<i>Authorities</i>
6	<i>Electricity Duty</i>	9.47	9.47	<i>High Court of Orrisa</i>
	<i>Total</i>	87.46	87.46	

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

**Management's Responsibilities for the Consolidated Financial Results**

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

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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



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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.

**Other Matters**

The consolidated Financial Results include the audited Financial Results of 1 subsidiary, whose interim Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs 670.96 crores as at 31<sup>st</sup> March 2021, Group's share of total revenue of Nil and Group's share of total net loss after tax of Rs 41.18 crores, as considered in the consolidated Financial Results.

For and on behalf of

Arun Todarwal & Associates LLP,

Chartered Accountants

ICAI Reg No : W100291

Arun Todarwal

Partner

M. No. : 032822

UDIN: 21032822AAAAAM8093

Dated: 6th December, 2021

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 for Qualification in the Audit report – Point no 6:******Details of banks, fixed deposits and loans where balance confirmations have not been provided to us for verification:*****Bank and Fixed Deposit balances:**

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

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

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

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**ANNEXURE II to the Independent Auditor's Report 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 for Qualification in the Audit report – Point no 6:**Details of banks, fixed deposits and loans where direct balance confirmations have not been provided to us for verification:***Bank balances:**

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

**Fixed Deposit balances:**

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

**Loans by Banks:**

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

**ANNEXURE III 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 Subsidiary Company – Maithan Ispat Limited*

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

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

**Bank Balance Confirmations:**

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

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

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

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

**Secured Loans by Banks:**

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

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**ANNEXURE IV 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 Subsidiary Company – Maithan Ispat Limited*

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

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

**Bank Balance Confirmations:***Amount in Rupees*

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

**Fixed Deposits:***Amount in Rupees*

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

**Secured Bank Loans:***Amount in Rupees*

<i>Srn</i>	<i>Bank Name</i>	<i>Account number</i>	<i>Balance as per Books</i>	<i>Balance as per Confirmation recd</i>	<i>Difference</i>
1	Punjab National Bank	319000IC00000733	(418,128,856)	(542,101,404)	123,972,548
2	Punjab National Bank	319000IC00001037	(31,270,073)	(42,035,505)	10,765,432
3	Indian Overseas Bank	262403281500001	(486,795,584)	(468,674,116)	(18,121,468)

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4	Indian Overseas Bank	298703301000002	(18,001,562)	(36,003,124)	18,001,562
5	Oriental Bank of Commerce (Now Punjab National Bank)	01717021000078	(447,448,228)	-	(447,448,228)
6	Oriental Bank of Commerce (Now Punjab National Bank)	1717025002378	(19,297,673)	-	(19,297,673)
7	State Bank of India	Cash Credit - 34843552994	(241,552,681)	(269,247,767)	27,695,086
8	Allahabad Bank (Now Indian Bank)	50274153112	(210,975,404)	(206,778,824)	(41,96,580)
9	Allahabad Bank (Now Indian Bank)	50353888241	(55,361,497)	(52,380,746)	(29,80,751)

**ANNEXURE V 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 Subsidiary Company – Maithan Ispat Limited*

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

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

**Bank balances:**

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

**Fixed Deposit balances:**

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

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**Secured Bank Loans:**

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

# ANNEXURE I

## Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 (Consolidated) [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [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	2097.48
	2	Total Expenditure	3360.41
	3	Net Profit/(Loss)	(1262.93)
	4	Earnings /(Deficit) Per Share	(9.16)
	5	Total Assets	19118.36
	6	Total Liabilities	19118.36
	7	Net Worth	2325.10
	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 inter-company receivables, being loans given, amounting to Rs27.98 crores as at 31st March 2021 (Rs28.22 crores as on 31st March 2020), to various related parties. The above balance does not include the loan to its subsidiary (Maithan Ispat Limited), which has been referred to point no 2 below. Regarding these amounts and transactions, the management has not carried out a detailed impairment assessment as on 31st March 2021 and 31st March 2020, as required by the Ind AS 36.</p> <p>Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.</p> <p>2) The Company, during the financial year, has given further loan to its subsidiary (Maithan Ispat Limited). The loan balance stands at Rs 16.63 crores as on 31st March 2021 (Rs16.10 crores as on 31st March 2020).Regarding these amounts and transactions:</p> <ul style="list-style-type: none"> <li>We have not been provided with any loan agreement</li> </ul>



			<p>signed with the Subsidiary.</p> <ul style="list-style-type: none"> <li>• The management has not carried out a detailed impairment assessment of the Subsidiary as on 31st March 2021 and 31st March 2020, as required by the Ind AS 36, even though the subsidiary has its operations suspended since January 2019.</li> </ul> <p>Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.</p> <p>3) Besides the loans as mentioned in point no 1 above, the Company had also given certain advances to its related parties and has debtor based receivables from them. The net inter-company receivables, being debtors and advances given, amount to Rs 28 crores as at 31st March 2021 (Rs28 crores as on 31st March 2020). Regarding these amounts and transactions:</p> <ul style="list-style-type: none"> <li>• Out of the above, we have not been provided with the minutes of the meetings for the approval of advances / debtors amounting to Rs 0.67 crores, hence we cannot comment if any approval for the same has been taken in the audit committee and board.</li> <li>• The management has not carried out a detailed impairment assessment of Rs28 crores, as on 31st March 2021 and 31st March 2020, as required by the Ind AS 36.</li> </ul> <p>Accordingly, we are unable to comment on the carrying value of these receivables and whether they will be received by the Company or not, along with the related impairment, if any, and consequential impact thereof on loss for the year, had the Company performed such impairment assessment.</p> <p>4) The Company further has an investment of Rs 179.88 crores in its subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary as on 31st March 2021, the net worth is completely eroded and is negative at Rs 147.50 crores and the liabilities exceed the assets of the subsidiary company by Rs 147.50 crores. In the absence of any impairment testing done by the management, we are unable to comment on the carrying value as at the balance sheet date and the consequential impact on the loss for the</p>
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	<p>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 &amp; Others, there is a compensation imposed of Rs 924 crores along with interest on the company for excess production of Iron Ore during 2000-01 to 2010-11. The Company was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Company are closed down wef 1st January 2018. The Company has filed a 'Curative petition' (Civil) on 28th March 2018, before the Honorable Supreme Court of India challenging the Judgement and which we have been informed is still pending. Hence, no provision has been made for the same in the books of accounts. During the year, the Company has paid Rs 164 crores as payment under protest.</p> <p>In our opinion, this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books to the extent of Rs 924 crores along with interest (net of payment made under protest), upto date of the balance sheet, of Rs489.87 crores, making the total liability provision of Rs1413.87 crores as on 31st March 2021 (Rs 1395.47 crores as on 31st March 2020). In case the above provision had been made in the books, the loss would stand at Rs 1498.75 crores as on 31st March 2021 (Loss would be Rs 1455 crores as on 31st March 2020).</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 had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure IV attached herewith.</p> <p>7) The basis of having a net deferred tax liability in the books of Rs 73.95 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2021.</p> <p>8) There are fixed assets under capital work in progress for the Company, amounting to Rs 24.46 crores as on 31st March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.</p>
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		<p>9) Balances of Debtors, creditors, loans &amp; advances received &amp; given and deposits received &amp; given are subject to confirmations and reconciliations.</p> <p>10) In our opinion, a provision for doubtful debts of Rs45.95 crores (Rs41.38 crores as on 31st March 2020) needs to be made against the balances of non-moving old Debtors &amp; Creditors (where advances have been given by the Company), as on 31st March 2021. No litigation has been initiated by the Company on these balances.</p>			
	<b>Emphasis of Matter</b>	<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 will be coming for the first time before Kolkata High court.</p> <p>2) We draw attention to Note 31 of the financials, which describe Rs718.89 crores plus interest, due to a party in respect of unreconciled amounts as per an arbitration award. The Company is disputing most of such claims and has filed an appeal against the arbitration award before the Bombay High Court. The same has been admitted by the High Court in December 2019. The hearing is still awaited.</p> <p>3) We have relied on the list of legal cases and the contingent liability, as given to us by the management. We are not aware of, nor have been informed of any other matter filed against the company.</p> <p>4) We have been provided with the copy of the share certificates as issued at the time the below investments were made. Due to mobility restrictions, we have not been able to verify the original share certificates held with the Company:</p> <table border="1"> <thead> <tr> <th>Company</th><th>Investment Category</th><th>Investment Amount (Amount</th></tr> </thead> </table>	Company	Investment Category	Investment Amount (Amount
Company	Investment Category	Investment Amount (Amount			

					<i>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>

	(b)	Type of Audit Qualification	Qualified Opinion and Emphasis of Matter / <del>Disclaimer of Opinion / Adverse Opinion</del>
	(c)	Frequency of qualification	Appeared Third Time
	(d)	For Audit Qualification(s) where the impact is quantified by the auditor: and the , Management's Views on same	<b>Impact has been not been quantified by the Auditor in their Report to the Members except point no. 5 and 10.</b>

	(e)	For Audit Qualification(s) where the impact is not quantified by the auditor	Presently Impact of these qualification/emphasis of matter can not be quantified; Management view on the Audit Qualification and Emphasis of Matter are as under:
		<p>(i). Management's estimation on the 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>1. The company is in talks with the parties for recovery of amounts due from them. The company has recovered approximately Rs. 20 lakhs during the year. Further the Company is going to start the plant soon and the amounts will be recovered either in cash and / or goods. The Management has reviewed all the assets and liabilities of the Company. The assets and liabilities of the Company has been valued at receivable and payable value respectively.</p> <p>2. Maithan is hundred percent subsidiary of Mideast Integrated Steels Limited. Maithan plant is not in operation since February 2019. The Company has given advances to Maithan keeping in view the prospective revival of the Company in near future. For the same purchase advances have been given during the last year by Mideast Integrated Steels Limited. Further, as management is doing continuous efforts to restart very soon the plant of its subsidiary, Maithan Ispat Limited. Also, a One Time Settlement ("OTS") has been done</p>

			<p>with the consortium of Banks of the subsidiary, Maithan Ispat Limited. Management does not estimate that the carrying amounts of its investment in its subsidiary would be less than the fair value.</p> <p>3. The amount of Rs. 0.67 crores are not advances. These are the amounts receivable on account of sale of vehicle to Mesco Logistics Limited.</p> <p>Out of the total amount of Rs. 28.00 crores, Rs. 26.50 belong to Maithan Ispat Limited that is wholly owned subsidiary of Mideast Integrated Steels Limited and the operations of Maithan are going to start soon, so management has not carried out any impairment assessment</p> <p>4. Management is undertaking continuous efforts to restart very soon the plant of its subsidiary, Maithan Ispat Limited, and are hopeful of achieving this objective in the near future. Moreover, a One Time Settlement ("OTS") has been done with the consortium of Banks of the subsidiary, Maithan Ispat Limited. The management does not estimate that the carrying amounts of its investment in its subsidiary, Maithan Ispat Limited, is less than its recoverable amounts.</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 (Common Cause v/s Union of India &amp; Others), an amount of ₹ 924.75 crores has been imposed on the Company towards 'Compensation' as determined in the said Judgement which was to be paid by 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.</p> <p>The Company has however filed a 'Curative petition' (Civil) before the Honorable Supreme Court of India challenging the Judgement and which is still pending. Hence provision has not been made for the same in the books of accounts. Further in the said case Company managed to get an Order dated 15th January, 2020 from Hon'ble Supreme Court, according to which Company get permission to sell 23,51,027.83 T of iron ore of different grade and sizes and which has been</p>
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			<p>extracted. Further the realization amount from said sale should be deposited with the State of Odisha towards partial satisfaction of the Compensation demand raised by Demand Notice dated 02.09.2017. The Company is in process to sell the iron ore and to comply with the norms, it is further to be noted that Company managed to get an extension of further six months vide last order dated 24th November, 2020. The Company has deposited with the Government Rs. 211 cores including GST till March 2021 under protest towards Compensation amount.</p> <ol style="list-style-type: none"> <li>6. We have been informed that, as per the policies of the concerned Banks, Bank will provide statement and balance confirmation either by hand or on registered email address. It will not be possible to change the registered email address to provide direct confirmation to the auditors. We have forwarded all the confirmation as and when received from the Banks by us to you.</li> <li>7. Company is in process of ascertaining the correct value of assets in the market and accordingly carrying out the deferred tax.</li> <li>8. The plant of MISL is not in operation since December 2019, compounded further by the impact of Covid 19, Company did not have the funds to complete the work on these capital assets and put them to use. Once the plant starts, Company we will be able to finish the work so required to be done on these capital work in progress, put these assets to use and capitalize the same.</li> <li>9. Company is in process to receive the balance confirmation from Debtors, Creditors and loans and advance as given and / or received and/or for the deposits received and given, as soon as same are received by the company, the details will be shared with the Auditors. Further management is of the view that on confirmation/reconciliation of the balances, there will not be any material impact on the state of affairs of the Company. Only those confirmations are not available where there is dispute between Companies and parties involved in the dispute.</li> <li>10. Management is in talks with the parties to settle the balances of non-moving old Debtors &amp; Creditors and is much confident of getting realization. Hence, no litigation has been initiated.</li> </ol>
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			<p><b>Emphasis of Matter</b></p> <ol style="list-style-type: none"> <li>1) The matter of SREI Equipment Finance Limited is subjudice and will come for hearing before Kolkata High court.</li> <li>2) There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in Mumbai High Court. The Company is confident to win the award and hence not making any provision in the books.</li> </ol>
III	<b>Audit Qualification- Maithan Ispat Limited (Subsidiary Company)</b>		
	(a)	<p><b>Details of Audit Qualification:</b></p>	<ol style="list-style-type: none"> <li>1. The total assets of the company stand at Rs 670.97 crores (Rs 700.30 crores as on 31st March 2020), and the total liabilities as on 31st March 2021 are Rs 818.46 crores (Rs 806.60 crores as on 31st March 2020). The accumulated losses for the company as on 31st March 2021 are Rs 931.65 crores (Rs 890.45 crores as on 31st March 2020) and the Net worth is negative Rs 147.50 crores (negative Rs 106.31 crores as on 31st March 2020).</li> </ol> <p>The plant has been shut down since January 2019 and has not yet started its activities at the end of the reporting year. The banks have stopped all working capital funding into the Company. The Company has not been able to meet its obligations of repayments of loans towards banks during the year. They have also not been able to meet its obligations towards other statutory liabilities. There is no recovery made from pending debtors, nor any creditors have been paid off. There are no new sales made and the stock of inventory has no movement in it.</p> <p>Taking the above facts into consideration, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, subsequent to the year end, we have been informed by the Company that all dues of the banks have been settled. We have also been provided with a letter dated 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</p>

			<p>received the consent to operate in October 2021 and has started the procedure for procurement of raw materials for manufacturing.</p> <p>2. The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 31st March 2021.</p> <p>3. Balance confirmations have not been provided to us for some banks, loans and fixed deposits. Details are as per Annexure III attached herewith.</p> <p>4. Upon verification of the banks, loans and fixed deposits balance in books, with the balance confirmations as provided to us by the Company, there have been certain discrepancies, which have not been explained to us nor any reconciliation has been shared with us. Details are as per Annexure IV attached herewith.</p> <p>5. We had requested for direct bank confirmations from the bankers of the Company, however, have not received the same for some banks. Details are as per Annexure V attached herewith.</p> <p>6. We have received the balance confirmation of the below bank from the Company, however, the same could not be found in the books of accounts of the Company:</p> <table border="1"> <thead> <tr> <th><i>Srn</i></th><th><i>Bank Name</i></th><th><i>Account Number</i></th><th><i>Amount as per balance confirmation (Rs)</i></th></tr> </thead> <tbody> <tr> <td>1</td><td>State Bank of India</td><td>64170801656</td><td>16,40,276</td></tr> </tbody> </table> <p>7. The internal audit report, for the year ended 31st March 2021, has not been shared with us.</p> <p>8. Balances of Debtors, creditors, loans &amp; advances received &amp; given and deposits received &amp; given are subject to confirmations and reconciliations.</p> <p>9. There are fixed assets under capital work in progress for the Company, amounting to Rs 46.17 crores as on 31st March 2021. They have not been capitalized since more than 5 years. In our opinion, the Company needs to review the same and capitalize the assets where applicable.</p>	<i>Srn</i>	<i>Bank Name</i>	<i>Account Number</i>	<i>Amount as per balance confirmation (Rs)</i>	1	State Bank of India	64170801656	16,40,276
<i>Srn</i>	<i>Bank Name</i>	<i>Account Number</i>	<i>Amount as per balance confirmation (Rs)</i>								
1	State Bank of India	64170801656	16,40,276								



10. In our opinion, a provision of Rs 37.05 crores (Rs 37.05 crores in March 2020) for doubtful debts needs to be made against the old non moving debtor & supplier balances (where advances have been given by the Company, including capital advances) as on 31st March 2021.

11. We have not been provided with the stock valuation working, nor the stock physical verification report, as on 31st March 2021. Hence we are unable to comment on the correctness of the quantity as well as valuation taken as on 31st March 2021. The total value of closing stocks is shown at Rs 94.15 crores as on 31st March 2021.

12. The below fixed deposit balances as per books of accounts have a credit balance (ie negative balance, instead of a debit balance):

<i>Srn</i>	<i>Bank Name</i>	<i>Category</i>	<i>Location</i>	<i>Closing Amount as per books (Rs)</i>	<i>Remarks</i>
1	Allahabad Bank	FD for LC Margin	Kolkata	(68,19,074)	No bank confirmation has been received for this
2	State Bank of India	Fixed Deposit	Kolkata	(87,789,151)	Bank confirmation (received via company) shows NIL amount

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

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

			<table><tr><th>Bank Name</th><th>Account number</th><th>Loan Balance as per Books</th><th>Loan Balance as per Confirmation received</th><th>Difference</th><td></td></tr><tr><td>Punjab National Bank</td><td>319000IC 00000733</td><td>(41,81,28,856)</td><td>(54,21,01,404)</td><td>12,39,72,548</td><td></td></tr><tr><td>Punjab National Bank</td><td>319000IC 00001037</td><td>(3,12,70,073)</td><td>(4,20,35,505)</td><td>1,07,65,432</td><td></td></tr><tr><td>Indian Overseas Bank</td><td>29870330 1000002</td><td>(1,80,01,562)</td><td>(3,60,03,124)</td><td>1,80.01,562</td><td></td></tr><tr><td>State Bank of India</td><td>Cash Credit - 34843552 994</td><td>(24,15,52,681)</td><td>(26,92,47,767)</td><td>2,76,95,086</td><td></td></tr></table>	Bank Name	Account number	Loan Balance as per Books	Loan Balance as per Confirmation received	Difference		Punjab National Bank	319000IC 00000733	(41,81,28,856)	(54,21,01,404)	12,39,72,548		Punjab National Bank	319000IC 00001037	(3,12,70,073)	(4,20,35,505)	1,07,65,432		Indian Overseas Bank	29870330 1000002	(1,80,01,562)	(3,60,03,124)	1,80.01,562		State Bank of India	Cash Credit - 34843552 994	(24,15,52,681)	(26,92,47,767)	2,76,95,086	
Bank Name	Account number	Loan Balance as per Books	Loan Balance as per Confirmation received	Difference																													
Punjab National Bank	319000IC 00000733	(41,81,28,856)	(54,21,01,404)	12,39,72,548																													
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State Bank of India	Cash Credit - 34843552 994	(24,15,52,681)	(26,92,47,767)	2,76,95,086																													
			<p>b) Provision for expense for the Company as on the reporting date, which includes Salaries &amp; wages, Electricity duty, Gratuity, Leave encashment, Provident Fund Liability, ESIC Liability, Profession Tax, Guest House expenses, any Legal &amp; Professional charges, interest on LC and any other expenses. Consequently, no TDS liability on the above expenses has been created, where applicable.</p> <p>1 Interest income on fixed deposits have not been considered by the Company as on the reporting date</p>																														
	(b)	Type of Audit Qualification	Qualified Opinion and Emphasis of Matter / <del>Disclaimer of Opinion / Adverse Opinion</del>																														
	(c)	Frequency of qualification	Appeared Third 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"> <li>1 A One Time Settlement ("OTS") has been done with the consortium of Banks, thereby reducing the liability substantially.. Further Maithan Ispat Ltd is hopeful to start the production at its plant very soon and make payments for the statutory liabilities, to the creditors and start the process of making recoveries from the Debtors.</li> <li>2 There is no change in last year figure of 139.80 crores.</li> <li>3 Company Loan accounts were turned NPA with the consortium of the Banks since March 2019, the consortium of Banks had taken the matter to Debt Recovery Tribunal (DTR) and the Company had also filed a suit against the consortium of the Banks, as a result the Banks did not provide the details w.r.t bank confirmations of the balance as on 31st March 2021. Now, that the OTS has been done with the consortium of Banks, this will get resolved.</li> <li>4 Company Loan accounts were turned NPA with the consortium of the Banks since March 2019, the consortium of Banks had taken the matter to Debt Recovery Tribunal (DTR) and the Company had also filed a suit against the consortium of the Banks, as a result the Banks did not provide the details as asked for and the reconciliation could not be done in the manner and form as asked for by the Auditor. Now, that the OTS has been done with the consortium of Banks, this will get resolved.</li> <li>5 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.</li> <li>6 Company Loan accounts were turned NPA with the consortium of the Banks since March 2019, the consortium of Banks had taken the matter to Debt Recovery Tribunal (DTR) and the Company had also filed a suit against the consortium of the Banks, as a result the Banks did not provide the details.</li> <li>7 Due to SARFAESI notice, the plant was under the possession of the consortium of the Banks, as a result we could not conduct the internal audit.</li> </ol>
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			<p>8 There was no Plant operation during the audit period and very few transactions were there. So, no major movement of debtors, sundry creditors happened during the audit period.</p> <p>9 From February 2019, the plant of Company was not in operation, compounded further by the impact of Covid 19, Company did not have the funds to complete the work on these capital assets and put them to use. As the plant is going to start very soon, Company we will be able to finish the work so required to be done on these capital work in progress, put these assets to use and capitalize the same.</p> <p>10 Covid 19 has impacted everyone, us and our debtors &amp; suppliers. The plant of the Company is going to restart in the near future, these Debts and supplier balances will be recovered. In case, the same are still not recovered we will make a provision or write them off, as applicable.</p> <p>11 Due to SARFAESI notice, the plant was under the possession of the consortium of the Banks, as a result we could not conduct the physical verification of stocks for the year ending as on 31.3.2021. There was no Plant operation during the period and therefore, no movement of stock in the last year.</p> <p>12 The Banks had made the accounts of the Company NPA, and are unable to provide us with all the information as sought / required by us. These FD's have been made for availing different facilities from the Banks, since our accounts had been made NPA, we have not been able to receive any information from the Bank with regard to the status of these FD's. As the Bank dues are settled, the necessary provisions for interests, write off / write back the loans etc. will be provided for as per the terms of settlement with the Banks..</p> <p>13 The Banks had made company's accounts NPA, and a One Time Settlement has been done with the consortium of the Banks, the necessary provisions for interests, write off / write back relating to the loans etc. will be provided for as per the terms of settlement with the Banks.</p>
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**Signatories:**

- **Chairman & Managing Director**

  
(Rita Singh)

- **Chief Financial Officer**

(Manas Pahi)

- **Audit Committee Chairman**

(Hawa Singh Chahar)

- **Statutory Auditor**

(Arun Todarwal)

**For Arun Todarwal & Associates LLP**

**Chartered Accountants**

**ICAI Reg No.: W100291**

**Place: New Delhi**

**Date: 6 December, 2021**