MESCO STEEL
Partnering Progress

ISO 9001:2008

March 03, 2023

To,

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

To

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

Scrip ID: MESCON
SCRIP CODE: 540744

Sub: Un-audited Standalone and Consolidated Financial Results of the Company, for the quarter ended 30th June, 2022, for quarter and half year 30th September, 2022 and for the quarter ended 31st December, 2022

Dear Sir,

Pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Un-audited Standalone and Consolidated Financial Results of the Company, for the quarter ended 30th June, 2022, for quarter and half year 30th September, 2022 and for the quarter ended 31st December, 2022 along with Limited Review Reports duly considered and approved by the Board of Directors at their meeting held at New Delhi on Friday, 03rd March, 2023.

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

This is for your information and records.

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

Priyanka Chugh
Company Secretary cum Compliance Officer
Encl: AA

Mideast Integrated Steels Limited

Regd. Off.: H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi, 110048
Website: www.mescosteel.com; CIN: L74899DL1992PLC050216; Ph. No. 011-29241099 & 40587085

Statement of standalone financial results for the quarter ended 30th June, 2022

	Particulars	Quarter ended			Year ended
		30.06.2022 Unaudited Rs. In Mn.	31.03.2022 Audited Rs. In Mn.	30.06.2021 Unaudited Rs. In Mn.	31.03.2022 Audited Rs. In Mn.
1	Revenue from operations	5.97	4.97	1373.69	1389.08
2	Other income	1.88	129.95	1275.87	1799.36
3	**Total income (1+2)**	**7.85**	**134.92**	**2649.56**	**3188.44**
4	**Expenses**				
	a) Cost of materials consumed	-	-	-	-
	b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	12.28	74.43	50.13	124.56
	c) Employee benefits expense	50.73	9.27	9.67	40.08
	d) Finance costs	0.05	0.25	0.25	0.82
	e) Depreciation and amortisation expense	90.27	135.47	92.04	412.09
	f) Other expenses	13.38	28.40	1255.46	1315.02
	Total expenses (II)	**166.71**	**247.82**	**1407.55**	**1892.59**
5	**Profit/ (Loss) before from operations before execptional items (3-4)**	**-158.85**	**-112.90**	**1242.01**	**1295.85**
6	Exceptional Items	-	-140.49		-140.49
7	**Profit/ (Loss) before Tax (5+6)**	**-158.85**	**-253.39**	**1242.01**	**1155.36**
8	**Tax expense**	-			
9	**Net profit/ (loss) after tax (7-8)**	**-158.85**	**-253.39**	**1242.01**	**1155.36**
10	**Other comprehensive income**	-			
11	**Total comprehensive income/ (Loss) for the period (9+10)**	**-158.85**	**-253.39**	**1242.01**	**1155.36**
12	Paid-up equity share capital (Face value Rs. 10/- each)	1378.75	1378.75	1378.75	1378.75
13	Earnings per share (of Rs. 10 each) (non annualised) [including share suspense]				
	a) Basic EPS	-1.15	-1.84	9.01	8.38
	b) Diluted EPS	-1.15	-1.84	9.01	8.38

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 March 03, 2023.

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, eventhough the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018.
The Company 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 October, 2022. The Company has deposited with the Government Rs. 362.49 cores including GST till October 2022 under protest towards Penalty amount.

3 There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in the High Court. The Company is confident to win the award and hence not making any provision in the books.

4 Previous periods figures have been regrouped / rearranged wherever necessary to conform to the current period's classification(s).

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

Place : New Delhi
Date : March 03, 2023

Rita Singh
Chairperson cum Managing Director

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

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Mideast Integrated Steels Limited (the 'Company') for the quarter ended 30th June 2022. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on ourreview.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, *except for the effects of the matters described in the Basis for Qualified Opinion section of our report,* nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any materialmisstatement.

4. **Basis for QualifiedOpinion**

   1) *The detailed Fixed Asset Register has not been provided for our review. Hence, we are unable to comment upon the correctness of the depreciation and WDV of the assets as on 30th Jun 2022. ThereareFixedassetsundercapitalworkinprogressfortheCompany, which 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.*

   2) *Company has major non-moving trade receivable balances against which company has not made a provision for doubtful debts. Company has also not initiated anylitigation on these receivables. Further due to non-availability of sufficient information, we are unable to comment on the carrying value and provision against these receivables.*

   3) *The inventory register and report for physical verification, has not been shared with us*

Ashok Shyam & Associates
NEW DELHI
FRN : 011223N
MUMBAI
Chartered Accountants

Hence, we are unable to comment upon the correctness of the reported numbers of the changes in inventory and closing balances as on 30th Jun 2022.

4) *Company has reported considerable jump in the salary and wages in the quarter ending 30th Jun 2022 and company has conveyed that this is due to the amount paid to the non-executive staff on account of closure compensation. However, we could not verify the same due to non-availability of sufficient details and supporting documents.*

5) *The Company has had transactions with its related parties, and has a net inter-company receivable, being loans* and advances *givento various related parties. Regarding these receivables, the management has not carried out a detailed impairment assessment as on 30th June 2022, 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 quarter, had the Company performed such impairmentassessment.

6) *Balance confirmations have not been provided to us for cash, banks, loans and fixed deposits. Further, we have not received direct bank confirmations for the current accounts / loans and fixed deposits and interest on fixed deposits. We have found that few Fixed deposits are in the name of Individuals but the same are recorded in the assets of the company.*

7) *Balances of Debtors, creditors, advances received & given and deposits received & given are subject to confirmations and reconciliations. we could not verify the reported numbers same due to non-availability of sufficient details and supporting documents.*

8) *There is change in the shareholding of shareholders having shareholding of more than 5%, however details of transfer has not been shared with us for our review.*

9) *Company has not shared the repayment schedule and balance confirmation of borrowing from banks and other parties due to which we cannot comment upon the correctness of balances and finance cost.*

10) *According to the details provided by the Company, the company is generally not regular in depositing the statutory dues. Disputed dues in respect of Central Excise, Service Tax, Sales Tax, Entry Tax, Income Tax & GST have not been deposited with appropriate authorities and no provision has been made for the same in the financials. Undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, TDS, 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. Further The Goods & Service Tax (GST) returns have not been filed by the Company since December 2019. We could not verify the details of statutory dues, due to non-availability of sufficient documents and information for the reporting period.*



11) *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 924.75 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,* the company *has* not *made provision for the same in the books of accounts. However, in our opinion since this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books*

Based on the above points, the Company may not be considered as a going concern as, after taking effects of the provisions, there will be huge losses and it will result in to the negative net worth.

For **ASHOK SHYAM & ASSOCIATES**
Chartered Accountants
Firm No. 011223N

Ashok Shyam & Associates
NEW DELHI
FRN : 011223N
MUMBAI
Chartered Accountants

(Ashok B. Gupta)
Partner
Membership No. 089858
UDIN- **23089858BGUYVR2878**

Place: New Delhi
Date: 03.03.2023

Mideast Integrated Steels Limited

Regd. Off.: H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi, 110048
Website: www.mescosteel.com; CIN: L74899DL1992PLC050216; Ph. No. 011-29241099 & 40587085

Statement of consolidated unaudited financial results for the quarter ended 30th June, 2022

	Particulars	Quarter ended			Year ended
		30.06.2022 Unaudited Rs. In Mn.	31.03.2022 Audited Rs. In Mn.	30.06.2021 Unaudited Rs. In Mn.	31.03.2022 Audited Rs. In Mn.
1	Revenue from operations	2086.81	893.31	1373.69	2277.42
2	Other income	2.05	547.42	1275.87	2312.08
3	**Total income (1+2)**	**2088.86**	**1440.73**	**2649.56**	**4589.50**
4	**Expenses**				
	a) Cost of materials consumed	1,521.11	1,391.25	-	1,391.25
	b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	402.50	-646.39	50.13	-596.27
	c) Employee benefits expense	76.28	30.79	13.18	66.13
	d) Finance costs	101.58	600.58	17.12	350.80
	e) Depreciation and amortisation expense	163.00	-119.31	156.39	680.17
	f) Other expenses	155.18	139.76	1,255.50	1,433.06
	Total expenses (II)	**2419.65**	**1396.68**	**1492.32**	**3325.14**
5	**Profit/ (Loss) before from operations before execptional items (3-4)**	**-330.79**	**44.06**	**1157.24**	**1264.36**
6	Exceptional Items	-0.02			2621.36
7	**Profit/ (Loss) before Tax (5+6)**	**-330.81**	**44.06**	**1157.24**	**3885.72**
8	**Tax expense**	-			
9	**Net profit/ (loss) after tax (7-8)**	**-330.81**	**44.06**	**1157.24**	**3885.72**
10	**Other comprehensive income**	-			
11	**Total comprehensive income/ (Loss) for the period (9+10)**	**-330.81**	**44.06**	**1157.24**	**3885.72**
12	Paid-up equity share capital (Face value Rs. 10/- each)	1378.75	1378.75	1378.75	1378.75
13	Earnings per share (of Rs. 10 each) (non annualised) [including share suspense]				
	a) Basic EPS	-2.40	0.32	8.39	28.18
	b) Diluted EPS	-2.40	0.32	8.39	28.18

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 March 03, 2023.

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, eventhough the Government Taxes and Royalty was paid on the ores extracted. Since the amount was not paid by the stipulated date, the Honorable Supreme Court ordered to stop mining operations with effect from 1st January 2018. The Company 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 October, 2022. The Company has deposited with the Government Rs. 362.49 cores including GST till October 2022 under protest towards Penalty amount.

3 There was arbitration award received in June 2019 for 718 crores. The Company has already appealed to this Award. The appeal has been admitted in the High Court. The Company is confident to win the award and hence not making any provision in the books.

4 Previous periods figures have been regrouped / rearranged wherever necessary to conform to the current period's classification(s).

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

Rita Singh
Chairperson cum Managing Director

Place : New Delhi
Date : March 03, 2023

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

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Mideast Integrated Steels Limited (the 'Parent') and its subsidiary MaithanIspat Limited (the Parent and its subsidiary together referred to as 'the Group') for the quarter ended 30th June 2022. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on ourreview.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an auditopinion.

3. Based on our review conducted as above, *except for the effects of the matters described in the Basis for Qualified Opinion section of our report,* nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any materialmisstatement.

4. **Basis for QualifiedOpinion**

   1) The detailed Fixed Asset Register has not been provided for our review. Hence, we are unable to comment upon the correctness of the depreciation and WDV of the assets as on 30th Jun 2022. Therearefixedassetsundercapitalworkinprogressfor theCompany, which 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.

2) *Company has major non-moving trade receivable balances against which company has not made a provision for doubtful debts. Company has also not initiated anylitigation on these receivables. Further due to non-availability of sufficient information, we are unable to comment on the carrying value and provision against these receivables.*

3) *The inventory register and report for physical verification, has not been shared with us, Hence, we are unable to comment upon the correctness of the reported numbers of the changes in inventory and closing balances as on 30th Jun 2022.*

4) *Company has reported considerable jump in the salary and wages in the quarter ending 30th Jun 2022 and company has conveyed that this is due to the amount paid to the non-executive staff on account of closure compensation. However, we could not verify the same due to non-availability of sufficient details and supporting documents.*

5) *The Company has had transactions with its related parties, and has a net inter-company receivable, being loans* and advances *givento various related parties. Regarding these receivables, the management has not carried out a detailed impairment assessment as on 30th June 2022, 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 quarter, had the Company performed such impairmentassessment.

6) *Balance confirmations have not been provided to us for cash, banks, loans and fixed deposits. Further, we have not received direct bank confirmations for the current accounts / loans and fixed deposits and interest on fixed deposits. We have found that few Fixed deposits are in the name of Individuals but the same are recorded in the assets of the company.*

7) *Balances of Debtors, creditors, advances received & given and deposits received & given are subject to confirmations and reconciliations. we could not verify the reported numbers same due to non-availability of sufficient details and supporting documents.*

8) *There is change in the shareholding of shareholders having shareholding of more than 5%, however details of transfer has not been shared with us for our review.*

9) *Company has not shared the repayment schedule and balance confirmation of borrowing from banks and other parties due to which we cannot comment upon the correctness of balances and finance cost.*

10) *According to the details provided by the Company, the company is generally not regular in depositing the statutory dues. Disputed dues in respect of Central Excise, Service Tax, Sales Tax, Entry Tax, Income Tax & GST have not been deposited with appropriate authorities and no provision has been made for the same in the financials. Undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, TDS, 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. Further The Goods & Service Tax (GST) returns have not been filed by the Company since December 2019. We could not verify the details of statutory dues, due to non-availability of sufficient documents and information for the reporting period.

11) *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 924.75 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,* the company *has* not *made provision for the same in the books of accounts. However, in our opinion since this compensation has been crystalized and accordingly, a provision for this liability should have been made in the books*

Based on the above points, the Company may not be considered as a going concern as, after taking effects of the provisions, there will be huge losses and it will result in to the negative net worth.

In the books of the Subsidiary (Maithan Ispat Limited):

1. *Company has non-moving trade receivable balances against which company has not made a provision for doubtful debts.*

2. *Balances of Debtors, creditors, advances received & given and deposits received & given are subject to confirmations and reconciliations.*

3. *The basis of having a deferred tax asset in the books of Rs 139.80 crores has not been shared with us; hence we are unable to comment upon the correctness of the same, as on 30th June 2022.,*

4. *The inventory register and report for physical verification, has not been shared with us, Hence, we are unable to comment upon the correctness of the reported numbers of the changes in inventory and closing balances as on 30th Jun 2022.*

5. *Balance confirmations have not been provided to us for cash, banks, loans and fixed deposits. Further, we have not received direct bank confirmations for the current accounts / loans and fixed deposits and interest on fixed deposits.*

6. *Company has reported considerable jump in the employee benefit expenses in the quarter ending 30th Jun 2022. However, we could not verify the same due to non-availability of sufficient details and supporting documents.*



7. *Company is generally not regular in depositing the undisputed statutory dues. We could not verify the details of pending disputed and undisputed statutory dues, due to non-availability of sufficient and appropriate information.*

Emphasis of Matter in the books of the Subsidiary (Maithan Ispat Limited):

The plant had been shut down since January 2019 and hasstarted its activities as on date. However, as on the date of this report, all the term loans from banks and financial institutions, have been paid off under an "One Time Settlement" and we have also been provided with a letter dated 16th November 2021, issued by the State Bank of India, stating that the loan accounts of the Company held with the banks have been settled and closed under compromise, sanctioned by the competent authority of individual member banks. Further, the company has also received the consent to operate in October 2021 and has started the procedure for procurement of raw materials formanufacturing.

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

For **ASHOK SHYAM & ASSOCIATES**
Chartered Accountants
Firm No. 011223N

Ashok Shyam & Associates
NEW DELHI
FRN : 011223N
MUMBAI
Chartered Accountants

(Ashok B. Gupta)
Partner
Membership No. 089858
UDIN- **23089858BGUYVU2276**

Place: New Delhi
Date: 03.03.2023