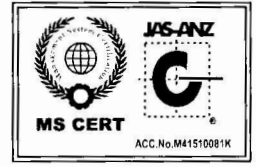




**MESCO STEEL**  
Partnering Progress



ISO 9001:2008

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

**CRIP CODE: 540744**

**Scrip ID: MESCON**

**Sub: Outcome of Board Meeting dated 25<sup>th</sup> February, 2020**

Dear Sir/Madam,

The Board of Directors of the Company at its meeting held on 25<sup>th</sup> February, 2020 has considered and approved, inter-alia the followings :

1. Unaudited Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2019

Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements), 2015, We are enclosing herewith the un-audited Financial Results for the quarter ended 31<sup>st</sup> December, 2019 along with copy of Limited Review Report issued by Statutory Auditors of the Company.

The Meeting of Board of Directors was commenced at 1: 30 P.M. and concluded at 4:10 P.M.

The above Limited Review Report and Results are also available on the website of the Company VIZ. Mescosteel.com

Submitted for your information and record.

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

  
**Sandeep**  
(Company Secretary)

**MIDEAST INTEGRATED STEELS LIMITED**

Corporate Identity No. - L74899DL1992PLC050216

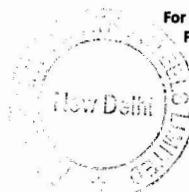
**Regd. Off.:** Mesco Towers, H-1, Zamrudpur, Community Centre, Kailash Colony, New Delhi - 110 048, India, T: 011-29241099, 40587085, 40587083  
Bhubaneswar Office: Mesco Tower 3915, Lewis Road, Kedargouri Square, Bhubaneswar - 751 014, Odisha, T: 0674-2432755/59, Fax: 0674-2432256  
Plant: Kalinga Nagar Industrial Complex, Khurunti, P. O. - Danagadi - 755 026, Dist. Jajpur Odisha, T: 06726-266042/45, 0671-2383100, Fax: 06726-266041  
Mumbai Office: Unit No. 401, Silver Pearl Bldg. Water Field Road, Bandra (W), Mumbai - 400 050, T: 022-26603173/75/74  
Kolkata Office: 14th Floor, Room No. 1412, 16, Strand Road, Kolkata - 700 001, T: 033-66451214 / 1215  
E: info@mescosteel.com, W: www.mescosteel.com

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR NINE MONTHS ENDED DECEMBER 31, 2019**

Sr. No.	Particulars	Quarter ended				9 mths ended		Year ended
		31-Dec-19	30-Sep-19	30-Jun-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn	
1	Revenue from Operations	886.68	1,500.09	1,587.17	2,087.48	3,973.94	5,554.57	7,383.45
2	Other Income	13.47	20.71	8.10	500.01	42.28	899.73	411.21
3	<b>Total Income (1+2)</b>	<b>900.15</b>	<b>1,520.80</b>	<b>1,595.27</b>	<b>2,587.49</b>	<b>4,016.22</b>	<b>6,454.30</b>	<b>7,794.66</b>
4	<b>Expenses</b>							
	(a) Cost of materials consumed	776.57	1,351.24	1,446.08	1,884.62	3,573.89	4,829.88	6,356.51
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-	94.52	(49.81)	24.28	133.92	68.99	81.21	(24.29)
	(c) Employee benefits expense	10.90	79.52	83.05	101.42	173.47	323.88	286.09
	(d) Finance cost	0.22	3.13	3.01	4.06	6.36	13.69	45.85
	(e) Depreciation and amortisation expense	137.63	139.01	141.01	141.22	417.65	423.90	564.04
	(f) Other expenses	87.61	204.19	117.27	103.42	409.07	341.36	553.07
	<b>Total Expenses</b>	<b>1,107.45</b>	<b>1,727.28</b>	<b>1,814.70</b>	<b>2,368.66</b>	<b>4,649.43</b>	<b>6,013.92</b>	<b>7,781.27</b>
5	<b>Profit / (Loss) from operations before exceptional items (3-4)</b>	<b>(207.30)</b>	<b>(206.48)</b>	<b>(219.43)</b>	<b>218.83</b>	<b>(633.21)</b>	<b>440.38</b>	<b>13.38</b>
6	Exceptional items	-	-	-	-	-	-	-
7	<b>Profit / (Loss) before tax (5+6)</b>	<b>(207.30)</b>	<b>(206.48)</b>	<b>(219.43)</b>	<b>218.83</b>	<b>(633.21)</b>	<b>440.38</b>	<b>13.38</b>
8	Tax expense	15.00	10.00	20.00	-	45.00	50.00	52.00
9	<b>Net Profit / (Loss) after tax (7-8)</b>	<b>(222.30)</b>	<b>(216.48)</b>	<b>(239.43)</b>	<b>218.83</b>	<b>(678.21)</b>	<b>390.38</b>	<b>(38.62)</b>
10	Other Comprehensive Income	(0.10)	0.10	0.75	0.15	0.75	0.45	0.80
11	<b>Total Comprehensive Income / (Loss) (9+10)</b>	<b>(222.40)</b>	<b>(216.38)</b>	<b>(238.68)</b>	<b>218.98</b>	<b>(677.46)</b>	<b>390.83</b>	<b>(37.82)</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	1,378.75	1,378.75
13	Earnings per Share (of Rs 10 each) (not annualised)							
	Basic	(1.61)	(1.57)	(1.74)	1.59	(4.92)	2.83	(0.28)
	Diluted	(1.61)	(1.57)	(1.74)	1.59	(4.92)	2.83	(0.28)

- The above results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on February 25, 2020.
- 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.
- Previous periods figures have been regrouped / rearranged wherever necessary to conform to the current period's classification(s).

Place : New Delhi  
 Date : 25 February 2020

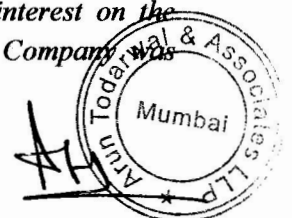


For and on behalf of the Board of Directors  
 For Mideast Integrated Steels Limited  
 Rita Singh  
 Chairperson cum Managing Director

**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, as amended**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Mideast Integrated Steels Limited (the 'Company') for the quarter ended 31st December 2019 and year to date from 1<sup>st</sup> April 2019 to 31st December 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a penal 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 had filed a 'Curative petition' (Civil) on 28<sup>th</sup> March 2018, before the Honorable Supreme Court of India challenging the Judgement and which, we have been informed, had been dismissed by the Supreme Court during the quarter ended 30<sup>th</sup> September 2019. The Company has not made any provision for the same in the books of accounts. However, in our opinion, this penalty has been crystalized and accordingly, a provision should have been made in the books to the extent of Rs 924 crores along with interest of approximately Rs 416 crores upto 31<sup>st</sup> December 2019.*

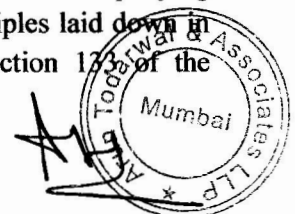
5. *Based on the deferred tax working shared by the company with us in quarter ended 30<sup>th</sup> September 2019, the deferred tax liability to be provided in the books, as on 30<sup>th</sup> September 2019, is Rs 153.15 crores. However the Company has provided for deferred tax liability of Rs 73.95 crores only as on 31<sup>st</sup> December 2019.*

*The Company has not provided us with any deferred tax working as on 31<sup>st</sup> December 2019. With a view of immaterial change in the deferred tax working for quarter ended December 2019 as compared to the deferred tax working as on 30<sup>th</sup> September 2019, there is a short provision of approximately Rs 79.20 crores wrt deferred tax liability, as on 31st December 2019.*

6. *In view of point 4 & point 5 as above, had the Company provided for the matters mentioned therein, the loss after tax for the quarter end would stand at approximately Rs 1441.44 crores and for the year ended 31st December 2019 at approximately Rs 1486.95 crores (Penal compensation & Interest on account of excess production of Iron Ore of Rs 1340 crores & short provision of deferred tax liability of Rs 79.20 crores)*
7. *The Company has an investment of Rs 179.88 crores in its Subsidiary, Maithan Ispat Limited. Based on the financials of its subsidiary, the Net worth is negative and the liabilities exceed the assets of the subsidiary company. In the absence of any impairment testing done, we are unable to comment on the investment value taken in the Company's books.*

#### **Emphasis of Matter**

8. *The Company had received the arbitration award dated 25th June 2019, for the case going on with Moorgate Industries India Private Limited and Stemcor SEA Pte Ltd. As per the award, the Company needs to pay Moorgate Industries India Pvt Ltd and Stemcor SEA Pte Ltd an amount in total of Rs 725.39 crores against the net amount shown as due to them as per the Company's books of Rs 407.80 crores. As informed to us by the management, the Company has filed an appeal on 23<sup>rd</sup> September 2019, against the award with the High Court u/s 34.*
9. *Based on our limited review conducted, except for the effects of the our observations from point 4 to 7 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the*

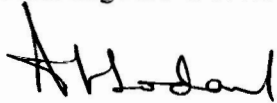


**ARUN TODARWAL & ASSOCIATES LLP**  
**CHARTERED ACCOUNTANTS**

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

Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Arun Todarwal  
Partner  
Membership No. 032822  
Place: Delhi  
Date: 25<sup>th</sup> February 2020  
UDIN: 20032822AAAAA9034



**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR NINE MONTHS ENDED DECEMBER 31, 2019**

Sr. No.	Particulars	Quarter ended			9 months ended	Year ended
		31-Dec-19	30-Sep-19	30-Jun-19	31-Dec-19	31-Mar-19
		Unaudited Rs. in Mn	Unaudited Rs. in Mn	Unaudited Rs. in Mn	Unaudited Rs. in Mn	Audited Rs. in Mn
1	Revenue from Operations	886.68	1,500.75	1,599.07	3,985.84	10,621.91
2	Other Income	13.47	20.70	8.10	42.28	838.46
3	<b>Total Income (1+2)</b>	<b>900.15</b>	<b>1,521.45</b>	<b>1,607.17</b>	<b>4,028.12</b>	<b>11,460.37</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	776.57	1,351.91	1,441.73	3,569.54	8,502.82
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-	94.52	(49.81)	44.78	89.49	64.33
	(c) Employee benefits expense	10.90	83.26	107.68	201.84	423.26
	(d) Finance cost	0.22	3.30	14.42	17.94	1,089.22
	(e) Depreciation and amortisation expense	137.63	203.98	205.98	547.59	823.92
	(f) Other expenses	87.59	205.55	155.56	448.70	1,370.84
	<b>Total Expenses</b>	<b>1,107.43</b>	<b>1,798.19</b>	<b>1,970.15</b>	<b>4,875.10</b>	<b>12,274.39</b>
5	<b>Profit / (Loss) from operations before exceptional items (3-4)</b>	<b>(207.28)</b>	<b>(276.74)</b>	<b>(362.98)</b>	<b>(846.98)</b>	<b>(814.02)</b>
6	Exceptional items	-	-	-	-	-
7	<b>Profit / (Loss) before tax (5+6)</b>	<b>(207.28)</b>	<b>(276.74)</b>	<b>(362.98)</b>	<b>(846.98)</b>	<b>(814.02)</b>
8	Tax expense	15.00	10.00	20.00	45.00	52.00
9	<b>Net Profit / (Loss) after tax (7-8)</b>	<b>(222.28)</b>	<b>(286.74)</b>	<b>(382.98)</b>	<b>(891.98)</b>	<b>(866.02)</b>
10	Other Comprehensive Income	(0.10)	-	0.75	0.75	-0.03
11	<b>Total Comprehensive Income / (Loss) (9+10)</b>	<b>(222.38)</b>	<b>(286.74)</b>	<b>(382.23)</b>	<b>(891.23)</b>	<b>(866.05)</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)					
	Basic	(1.61)	(2.08)	(2.78)	(6.47)	(6.28)
	Diluted	(1.61)	(2.08)	(2.78)	(6.47)	(6.28)

- The above results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on February 25, 2020.
- 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.
- As this is the first time consolidated results for 9 months and quarter ended December 2019 are submitted, comparable 9 months and quarter for December 2018 have not been prepared.
- 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

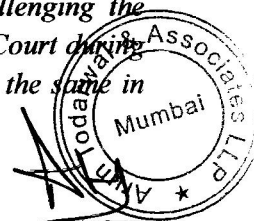
Rita Singh  
Chairperson cum Managing Director

Place : New Delhi  
Date : 25 February 2020

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

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Mideast Integrated Steels Limited (the 'Parent') and its subsidiary Maithan Ispat Limited (the Parent and its subsidiary together referred to as 'the Group') for the quarter ended 31st December 2019 and Year to Date from 1<sup>st</sup> April 2019 to 31st December 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Parent's management and has been approved by the Board of Directors of the Parent. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *In pursuance to the judgement dated 2nd August, 2017 of Honorable Supreme Court of India, in the matter of Writ Petition (Civil) No. 114 of 2014 between Common Cause v/s Union of India & Others, there is a penal compensation imposed of Rs 924 crores along with interest on the Parent for excess production of Iron Ore during 2000-01 to 2010-11. The Parent was supposed to make the payment of this compensation on or before 31st December 2017, failing which the mines of the Parent are closed down wef 1st January 2018. The Parent had filed a 'Curative petition' (Civil) on 28<sup>th</sup> March 2018, before the Honorable Supreme Court of India challenging the Judgement and which, we have been informed, has been dismissed by the Supreme Court during the quarter ended 30<sup>th</sup> September 2019. The Parent has not made any provision for the same in*



*the books of accounts. However, in our opinion, this penalty has been crystalized and accordingly, a provision should have been made in the books to the extent of Rs 924 crores along with interest of approximately Rs 416 crores upto 31st December 2019.*

5. *Based on the Parent Company's deferred tax working shared with us\*, the deferred tax liability to be provided in the books, as on 31st December 2019, is Rs 153.15 crores, however the Parent Company has only provided for deferred tax liability of Rs 73.95 crores. Hence there is a short provision of approximately Rs 79.20 crores wrt deferred tax liability, as on 31st December 2019.*

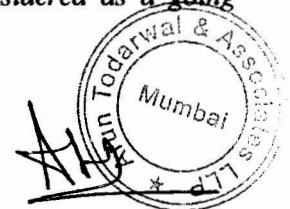
*Based on the Subsidiary Company's deferred tax working shared with us\*, the deferred tax liability to be provided in the books, as on 31st December 2019, is Rs 73.50 crores, however the Subsidiary Company has provided for deferred tax asset of Rs 139.80 crores. Hence there is a short provision of approximately Rs 213.31 crores wrt deferred tax liability, as on 31st December 2019.*

*\* We have been provided with the deferred tax working as on 30<sup>th</sup> September 2019 and not as on 31<sup>st</sup> December 2019. However, based on a view of immaterial change in the deferred tax working for quarter ended December 2019 as compared to the deferred tax working as on 30<sup>th</sup> September 2019, the above amounts of approximate short provisions have been derived at.*

6. *In view of point 4 & point 5 as above, had the Group provided for the matters mentioned therein, the consolidated loss after tax for the quarter end would stand at approximately Rs 1654.74 crores and for the year ended 31st December 2019 at approximately Rs 1721.63 crores (Penal compensation & Interest on account of excess production of Iron Ore of Rs 1340 crores & short provision of deferred tax liability of Rs 292.51 crores)*

#### **Emphasis of Matter**

7. *The Parent has received the arbitration award dated 25th June 2019, for the case going on with Moorgate Industries India Private Limited and Stemcor SEA Pte Ltd. As per the award, the Parent needs to pay Moorgate Industries India Pvt Ltd and Stemcor SEA Pte Ltd an amount in total of Rs 725.39 crores against the net amount shown as due to them as per the Parent's books of Rs 407.80 crores. As informed to us by the management, the Parent has filed an appeal on 23<sup>rd</sup> September 2019, against the award with the High Court u/s 34.*
8. *The total liabilities of the subsidiary, Maithan Ispat Limited, exceed the total assets as on 31st December 2019, and the Net worth is negative. The plant has been shut down since January 2019. In view of the above, as per our opinion, the subsidiary may not be considered as a going concern.*



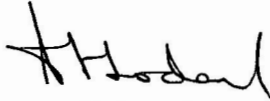


**ARUN TODARWAL & ASSOCIATES LLP**  
**CHARTERED ACCOUNTANTS**

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

9. Based on our limited review conducted, *except for the effects of the our observations from point 4 to 6 above*, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Arun Todarwal  
Partner  
Membership No. 032822  
Place: Delhi  
Date: 25<sup>th</sup> February 2020  
UDIN: 20032822AAAAAB8856

