



Modern Steels Limited

CORPORATE OFFICE : 98-99, SUB CITY CENTRE, SECTOR 34, CHANDIGARH - 160 022 (INDIA)

Tel : +91-172-2609001, 2609002, FAX : +91-172-2609000

E-mail : info@modernsteels.com. CIN : L27109PB1973PLC003358

Ref: MSL/SECT/BSE/

Date: 7th December, 2021

M/s. BSE Limited
Phiroze Jeejeebhoy
Towers Dalal Street
Mumbai-400001

SUB: Annual Report of the Company along with Notice of 47th Annual General Meeting (AGM)

REF.: SCRIP NAME: MODERN STEELS LTD., SCRIP CODE: 513303 & ISIN: INE001F01019

Dear Sir,

Pursuant to relevant Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for Financial Year 2020-21 along with Notice of the 47th AGM of the Company to be held on Thursday, 30th December, 2021.

The schedule of the events is set as below:

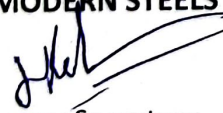
Relevant/Cut Off Date to Vote on AGM resolution	23 rd December 2021
Remote e-Voting Start Date	27 th December 2021 (09.00 A.M)
Remote e-Voting End Date	29 th December 2021 (05.00 A.M)
Date of AGM/ EGM	30 th December 2021 (11:00 A.M.)

Please take the above on your record.

Thanking you

Yours Truly,

For MODERN STEELS LIMITED


Company Secretary



NOTICE OF 47TH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the members of Modern Steels Limited will be held on Thursday the 30th Day of December 2021 at 11:00 A.M. through Video Conferencing / Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Krishan Kumar Goyal (DIN: 00482035), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS:

3. To appoint Dr. Avtar Krishan Vashisht (DIN: 03323142) as a non-executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013, and the rules framed there under read with relevant Schedules of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Avtar Krishan Vashisht (DIN: 03323142), who was appointed as a non-executive Independent Director (Additional Director) of the Company by the Board of Directors with effect from 11th May, 2021, pursuant to the provisions of Section 149(6) and 161(1) and other applicable provisions of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 consecutive years till the conclusion of AGM to be held in the year 2024."

4. To approve the material related party transactions with Nabha Commerce Private Limited and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions with Nabha Commerce Private Limited, a Related Party under Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to sale/purchase of products, goods, materials or services subject to a maximum aggregate transactions of Rs.100 crores in a financial year on such terms and conditions as may be mutually agreed between the Company and Nabha Commerce Private Limited, at arm's length basis and at prevailing market prices.

RESOLVED FURTHER THAT the Board of Directors/ Key Managerial Personnel be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with Nabha Commerce Private Limited, within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof and/or Key Managerial Personnel, be and are hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

5. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2022 and pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs.70,000/- (annual) plus service tax/GST and out of pocket expenses payable to M/s. V. Kumar & Associates, Cost Accountants, who were appointed by the Board



of Directors of the Company to conduct the audit of the Cost records of the Company for the Financial Year ending 31st March, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By order of the Board of Directors
For Modern Steels Limited

Himanshu Kalra
Company Secretary

Place: Chandigarh

Dated: 07th December, 2021

Registered Office:

G.T. Road, Mandi Gobindgarh -147 301

Distt. Fatehgarh Sahib, Punjab, India

CIN: L27109PB1973PLC003358

Email: secretarial@modernsteels.com

Website: www.modernsteels.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

NOTES:

- In view of the current extraordinary circumstances caused by the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” read with General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/ 2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the Companies to hold their Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the current AGM of the Company is being held through VC / OAVM. The deemed venue for the 47th AGM will be the registered office of the Company.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) if any is annexed.
- A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March, 2021, may send their queries at least 10 days before the Annual General Meeting at Company’s Corporate Office at SCO 98-99, Sub-City Centre, Sector 34, Chandigarh-160 022.
- Register of Members and Share Transfer Books of the Company will remain closed 24th day of December 2021 to 30th Day of December 2021 (both days inclusive).
- I. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their addresses, bank details, mandate etc., to their respective Depository Participant (DP). These changes will be automatically reflected in Company’s records, which will help the Company to provide efficient and better services to the members. The Members holding shares in physical form are requested to intimate immediately change of address, if any, to the Company’s Registrar and Share Transfer Agent.
II. In terms of SEBI circular No. SEBI/LAD-NRO/ GN/2018/24, members holding shares in physical form are requested to consider converting their

NOTICE OF 47TH ANNUAL GENERAL MEETING

holdings to dematerialized form to eliminate risks associated with physical shares and for better management of the securities. Members can write to the Company's Registrar and Share Transfer Agent in this regard.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participant with whom they are maintaining their demat account.

Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent – MCS Share Transfer Agent Limited.

11. Soft copy of the Annual Report for the financial year 2020-21 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes.

Pursuant to MCA circular 20/2020 dated 5th May, 2020 and circular no 02/2021 dated 13th January 2021 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, the physical copies of the annual report for the financial year 2020-21 are not being sent to the members.

12. Soft copy of the Notice of the 47th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes.

Pursuant to MCA circular 20/2020 dated 5th May, 2020 and circular no 02/2021 dated 13th January 2021 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, the physical copies of the notice for the financial year 2020-21 are not being sent to the members.

13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.modernsteels.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
14. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021.

15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday the 27th Day of December 2021 at 09:00 A.M. and ends on Wednesday, the 29th Day of December, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd of December 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd of December, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:



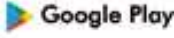

Step 1: Access to NSDL e-Voting system

a) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services web-site of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as rec-orded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

b) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial

password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.



5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to prince.chadha88@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh Assistant Manager, NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to helpdeskdelhi@mcsregistrars.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to helpdeskdelhi@mcsregistrars.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to

the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. **In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.**

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are re-requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is there-fore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions at least ten days in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@modernsteels.com. The same will be replied by the company suitably
16. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
17. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 23rd December, 2021.
18. Mr. Prince Chadha, B.Com, ACS, Practising Company Secretary (Membership No. ACS 32856) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
19. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in the favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
20. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.modernsteels.com and on the website of NSDL and communicated to the BSE Limited.
21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection, at the Registered Office of the Company, during normal business hours (9:00 AM to 5:00 PM) on all working days (except on public holidays), upto the date of the Annual General Meeting.

By order of the Board of Directors
For Modern Steels Limited

Himanshu Kalra
Company Secretary

Dated: 07th December, 2021
Place: Chandigarh

Registered Office:

G.T. Road, Mandi Gobindgarh -147 301
Distt. Fatehgarh Sahib, Punjab, India
CIN: L27109PB1973PLC003358
Email: secretarial@modernsteels.com
Website: www.modernsteels.com
Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

ITEM NO. 3

The Board of Directors of the Company appointed Dr. Avtar Krishan Vashisht (DIN: 03323142) as Additional Non Executive Independent Director of the Company w.e.f 11th May, 2021, pursuant to the provisions of Section 161(1) and Section 149(6) of the Companies Act, 2013, and the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Avtar Krishan Vashisht is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Dr. Avtar Krishan Vashisht fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Dr. Avtar Krishan Vashisht is independent of the management of the Company.

Disclosures under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.

Copy of the draft letter for appointment of Dr. Avtar Krishan Vashisht as an Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 3 of the Notice for appointment of Dr. Avtar Krishan Vashisht



as a Non-Executive Independent Director for a period of 3 consecutive years w.e.f 30th December, 2021 upto the conclusion of AGM to be held in year 2024.

Dr. Avtar Krishan Vashisht is interested in this Special Resolution. None of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

ITEM NO. 4

Nabha Commerce Private Limited is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of Directors and the Board of Directors of the Company in their meeting approved the related party transactions with Nabha Commerce Private Limited for sale, purchase of goods and to provide / avail services to / from Nabha Commerce Private Limited, a related party, subject to a maximum aggregate transactions of Rs.100 crores in a financial year.

Since the transactions with Nabha Commerce Private Limited are estimated to be upto Rs.100 crores in a financial year, the transactions are required to be approved by the shareholders as an Ordinary Resolution.

The said transactions are in the ordinary course of business of the Company and at arm's length basis.

Other details as required as per the Companies (Meetings of Board and its Powers) Rules, 2014.

- (a) Name of Related Party: Nabha Commerce Private Limited
- (b) Name of Director or Key Managerial Personnel who is related: Mr. Krishan Kumar Goyal, Chairman and Managing Director of the Company.
- (c) Nature of relationship: Mr. Krishan Kumar Goyal and his relatives are the shareholders of Nabha Commerce Private Limited.
- (d) Material Terms of contracts/arrangements/transactions: Sale / purchase of scrap/rolled products on arm's length basis.
- (e) Monetary value: Estimated amount Rs.100 crores in a financial year.
- (f) Any other information relevant or important for the members to make a decision on proposed transaction: Nil

The copies of contract setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Krishan Kumar Goyal along with their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 subject to the ratification of the remuneration payable to the Cost Auditors by the shareholders of the Company in accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

By order of the Board of Directors
For Modern Steels Limited

Himanshu Kalra
Company Secretary

Dated: 07th December, 2021
Place: Chandigarh

Registered Office:

G.T. Road, Mandi Gobindgarh -147 301
Distt. Fatehgarh Sahib, Punjab, India

CIN: L27109PB1973PLC003358

Email: secretarial@modernsteels.com

Website: www.modernsteels.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

NOTICE OF 47TH ANNUAL GENERAL MEETING

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON THURSDAY THE 30TH DAY OF DECEMBER 2021 AT 11:00 A.M. PURSUANT TO REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 3

Name of the Director	Dr. Avtar Krishan Vashisht
DIN	03323142
Date of Birth	10 th July, 1956
Date of Appointment	11 th May, 2021
Brief Resume and expertise in specific functional area:	Dr. Avtar Krishan Vashisht is a Professor with University Business School, Panjab Univeristy, Chandigarh. He has rich knowledge in Accounting, Finance and Banking.
Qualification	M.Com, M.Phil, Ph.D., L.L.B
List of outside Directorships held	Modern Dairies Limited
Chairman/Member of the Committee of the Board of Directors of the Company	I. Audit Committee – Member II. Stakeholders Relationship Committee - Member III. Nomination & Remuneration Committee - Member
Chairman/Member of the Committee of Directors of other Companies (Modern Dairies Limited)	I. Audit Committee – Member II. Stakeholders Relationship Committee- Member III. Allotment Committee – Member IV. Nomination & Remuneration Committee - Chairman
Shareholding in the Company	As on 31 st March 2021, Dr. A.K. Vashisht holds Nil Equity Shares of the Company.
Relationship with other Directors	Not Applicable

47TH

**ANNUAL REPORT
2020-2021**



MODERN STEELS LIMITED

BOARD OF DIRECTORS

Chairman and Managing Director
Mr. Krishan Kumar Goyal

Prof. Satish Kumar Kapoor, Independent Director
Dr. Meena Sharma, Independent Director
Dr. Avtar Krishan Vashist, Independent Director

CHIEF FINANCIAL OFFICER

Mr. Divnain Singh Chowdhary

COMPANY SECRETARY

Mr. Himanshu Kalra

AUDITORS

M/s. Aaryaa & Associates
Chartered Accountants

LENDER

Punjab National Bank

CORPORATE OFFICE

SCO 98-99, Sub City Centre,
Sector 34, Chandigarh-160 022, India

REGISTERED OFFICE & WORKS

G.T. Road, Mandi Gobindgarh - 147 301
Distt. Fatehgarh Sahib, Punjab, India

REGISTRARS & SHARE TRANSFER AGENTS

M/s. MCS Share Transfer Agent Limited
F-65, First Floor, Okhla Industrial Area, Phase 1,
New Delhi-110 020

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**DIRECTORS' REPORT**

Dear Members,

Your Directors hereby present their 47th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2021.

FINANCIAL SUMMARY

₹ in Lakhs

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Net Sales & Income from Operations	8724	21184
Operating Profit/(Loss)	(1716)	(4553)
Finance Cost	46	39
Cash Profit/(Loss)	(1762)	(4592)
Depreciation & Amortisation	487	486
Profit/(Loss) before Tax	(2249)	(5078)
Exceptional Items	6112	139
Profit/(Loss) after Tax	3863	(4939)

PERFORMANCE

During the year under review, the company achieved net sales of Rs. 8724 Lakhs as against Rs. 21184 Lakhs in the previous year and resulting into net loss of Rs. 2249 Lakhs against the net loss of Rs. 5078 Lakhs in the previous year.

The Company has done the One Time Settlement (OTS) with institutional lenders and accordingly, the amount has been written off as exceptional items amounting to Rs. 6112 Lakhs through Profit and Loss account.

The year has started with a huge challenge before humanity with the onset of COVID-19 which lead to lockdown throughout the Country. Due to the same, the company's operations also came to a standstill. The first quarter was completely washed out and in the second quarter, though the Company was getting orders but the operations could be started at minimal quantity due to inherent problem of liquidity/ financial difficulty. In spite of Difficulties Company was able to maintain the requirement of OEM.

In view of low volume purchase & irregular payments, the input cost also got affected.

From 25th of November 2020 the company operations in steel plant was given on job work basis to Arjas Steel Private limited and Auto Component division was given to Modern Automotives limited on Job work basis.

DIVIDEND

Due to the difficult financial position and the losses suffered by the Company, the Directors have not recommended any dividend for the year.

CURRENT OPERATIONS

The current operations of the company are on job work basis with Arjas Steels Private Limited and Modern Automotives Limited.

The current half year sales is Rs.6430 Lakhs against last half yearly sales of Rs. 2294 Lakhs.

Business Transfer Agreement (BTA) / Slump Sale Execution

The management of the Company has been able to reach at a common understanding with the investor for sale of its assets on "Slump Sale basis" to M/s Arjas Steels Private Limited having its registered office at Tadipatri Mandal, Ananthpur Village Jambulapadu, Andhra Pradesh for a consideration of Rs.86 Crores subject to the approval of lenders.

On 15th November 2020, the BTA had been executed between M/s Arjas Steel Private Limited / Arjas Modern Steel Private Limited (purchaser), Modern Steels Limited (seller), Promoters (Mr. Krishan Kumar Goyal and Mr. Aditya Goyal).

Edelweiss Asset Reconstruction Company (EARC)

This is to inform the Hon'ble Members that, The Edelweiss ARC has given its final sanction letter for One Time settlement (OTS), the Buyer along with Promoters of the Company paid balance amount to EARC on due date and after clearing all the dues, EARC also issued No Dues Letter in favour of the Company.

As mutually decided between the Buyer, Seller and Promoters of the Company the Clause of Long Stop Date of the Business Transfer Agreement (BTA) has been Amended by three months from the date of the PNB In- Principle Approval.

Punjab National Bank

During the year the Company, was in prolonged discussion with the other lender, Punjab National Bank (PNB) for the settlement of its debt.

The company's debt resolution with the lender is under progress.

KAIZEN & TS 16949 ACCREDITATION

Your company has updated the accreditation of Quality Management System on 30th November, 2018. Now we are IATF 16949:2016, accredited by DNV – GL, Netherlands.

DEPOSITS

The Company has neither accepted nor invited any deposit from the public and hence directives issued by Reserve Bank of India and the provisions of Chapter V (Acceptance of deposits by Companies) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSIONS & ANALYSIS

A separate report on Corporate Governance and Management Discussions & Analysis is attached herewith and forms part of this report.

DIRECTORS

Pursuant to provisions of Section 161 and Section 149 of the Companies Act, 2013, Dr. Avtar Krishan Vashisht (DIN: 03323142) is appointed as an Additional Independent Director by the Board of Directors w.e.f 11th May, 2021 upto this Annual General Meeting. In this AGM, he is to be appointed for a period of three year upto the conclusion of AGM to be held in the year 2024.

Mr. Krishan Kumar Goyal, Chairman & Managing Director, (DIN: 00482035), shall retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

KEY MANAGERIAL PERSONNEL

Mr. Krishan Kumar Goyal (Chairman and Managing Director), *Mr. Divnain Singh Chowdhary (Chief Financial Officer) and **Mr. Himanshu Kalra (Company Secretary) are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Ashish Kumar Sharma, Company Secretary and Compliance Officer of the company has left for his heavenly abode on 06th March, 2021.

The board placed on record its appreciation for the valuable contribution and the services rendered by him during his tenure as GM Secretarial & Company Secretary.

Ms. Anjali was appointed as Company Secretary and Compliance Officer of the Company from 05th May, 2021 and has left the Company on 15th October, 2021

* Mr. Divnain Singh Chowdhary, was appointed as Chief Financial Officer w.e.f 01st October, 2020 in place of Mr. Sanjeev Verma who has left the company during the year.

**Mr. Himanshu Kalra, Company Secretary and Compliance Officer has joined the company w.e.f. 16th October, 2021.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 read

with the rules made thereunder and Regulation 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, that they meet the criteria of independence as laid out in Subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD DIVERSITY AND REMUNERATION POLICY

The Company has a policy for formation of the Board to have Executive Directors and Independent Directors of diverse background to maintain the independence of the Board. As on 31st March, 2021, the Board consists of four directors out of which one is Executive Director, and three are Independent Directors.

The Board periodically evaluates the need for change in its composition and size.

We affirm that the remuneration paid to the Directors is as per the terms approved by the Nomination and Remuneration Committee of the Company.

With reference to the provisions of Section 136(1) of the Companies Act, 2013, information required under Section 197(2) read with rule 5(1) not forms part of this report. However, no employees were employed throughout the Financial Year or part thereof drawing remuneration pursuant to the provision of 197(2) read with rule 5(2).

HUMAN RESOURCES

The Company is having motivated work force. Harmonious employee relations prevailed throughout the year.

Your Directors place on record their appreciation for all employees for their hard work and dedication.

BOARD MEETINGS

During the year, six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In pursuance of Section 134 (3) (p) of the Companies Act, 2013 read with rules made thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors carried out the performance evaluation of the Board as a whole, its Committees and individual directors. Led by the Nomination & Remuneration Committee ('NRC'), the evaluation was carried out using individual questionnaires covering composition of Board, conduct as per Company values & beliefs, contribution towards development of strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for



strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc.

As part of the evaluation process, the performance of Non Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non Independent Directors was done by the Board excluding the Director being evaluated.

RELATED PARTY TRANSACTIONS

All contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Related Party disclosures as per AS-18 have been provided in the Notes to the Financial Statements. Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed as Annexure "A" to this report. Related Party disclosures as per AS-18 have been provided in the Notes to the financial statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure "B" to this report.

RISK MANAGEMENT

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company has formulated Risk Management Policy to identify and then manage threats/risks that could have impact on the goals and objectives of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated Vigil Mechanism/ Whistle Blower Policy which provides a robust framework for dealing with genuine concerns & grievances.

Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. During financial year 2020-21, no complaints were received.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Modern Steels Limited has aligned its current systems of internal financial control with the requirement of Companies Act, 2013.

Modern Steels Limited's internal controls are commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as of 31st March, 2021. The assessment involved selfreview and external audit.

M/s Aaryaa & Associates, the statutory auditors of Modern Steels Limited have audited the financial statements including in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in Section 143).

The Audit Committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action.

Based on its evaluations (as defined in Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), the Audit Committee has concluded that, as of 31st March, 2021, the internal financial controls were adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee of your Company comprises of the following Directors:

1. Prof. Satish Kumar Kapoor –Chairman
2. Dr. Avtar Krishan Vashisht -Member*
3. Dr. Meena Sharma –Member

* Dr. Avtar Krishan Vashisht has been appointed as the member of Audit Committee w.e.f 11th May, 2021

Further, details of the Audit Committee and its terms of reference etc. have been furnished in Corporate Governance Report which forms part of this report.

During the Financial Year 2020-21 under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

AUDITORS

Statutory Auditors

Pursuant to Section 139 and 142 and other applicable provisions of Companies Act, 2013, if any and the rules framed thereunder, M/s. Aaryaa & Associates, Chartered Accountants, (Registration No. 015935N), were re-appointed as Statutory Auditors of the Company at 45th Annual General Meeting for a period of three years till the conclusion of the 48th Annual General Meeting to be held in the year 2022 at a remuneration mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Cost Auditors

The Board of Directors have approved the appointment and remuneration of M/s. V. Kumar & Associates as Cost Auditors of the Company to conduct the cost audit for the year 2021-22 on the recommendations of the Audit Committee subject to the ratification of the remuneration by the shareholders.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors had appointed M/s. P. Chadha & Associates, Company Secretaries as Secretarial Auditor of the Company for the financial year 2020-21 for conducting the Secretarial Audit as required under the provisions of Companies Act, 2013.

The Secretarial Audit Report issued by M/s. P. Chadha & Associates, Company Secretaries in Form MR-3 for the financial year ended 31st March, 2021 is annexed herewith as Annexure "C" to this report.

AUDITOR'S REPORT

The Statutory Auditors of the Company, M/s. Aaryaa & Associates, Chartered Accountants, have submitted the Auditor's Report which has observation on Financial Statements for the period ended March 31, 2021 as follows:

Director's remuneration is not admissible as prescribed in Sec-197 of companies Act, 2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.

The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013.

During the year, the company has given the director remuneration to Mr. R.K Sinha (Director) amounting to Rs. 2,75,806.

Apart from the managerial remuneration for year ended 31st March, 2021, as mentioned above the company has paid director remuneration of Rs. 2,63,72,566 without complying the provisions of Schedule V of the companies Act, 2013.

Management's Reply:

The company has paid Managerial Remuneration amounting to Rs. 2,75,806/-, to director for which the company is yet to receive approval from the competent authority/agency. Directors undertake that in case the approval is not received from the competent authority/agency, they shall refund the remuneration paid to them by the company. Profitability of the company shall affect to the same extent.

Secretarial Auditors' Qualification in Secretarial Audit Report

The Company has not Complied with Section 197 of Companies Act 2013 in respect of remuneration paid to Managerial Personal of the Company.

Management's Reply:

The Company is under process to rectify this non-compliance.

EXTRACT OF ANNUAL RETURN

In compliance with Section 92(3), Section 134(3)(a) and Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form No. MGT-9 is annexed as ANNEXURE D with this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no adverse material changes or commitments occurring after 31st March, 2021, which may affect the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.



DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees are covered under this Policy.

As per the said Policy, an Internal Complaints Committee is also in place to redress complaints received regarding sexual harassment. No complaints were received during financial year 2020-21.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to requirements under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit / loss of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for the year ended 31st March, 2021, on a 'going concern' basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

APPRECIATION

The Directors also wish to place on record its appreciation for the commitment displayed by all employees at all levels during the year.

The Directors also take this opportunity to express its deep gratitude for the continued co-operation and support received from its valued stakeholders.

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal

Place: Chandigarh Chairman and Managing Director
Dated: 07th December, 2021 DIN: 00482035

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Company is secondary producer of special and alloy steel through steel scrap as its main raw material and caters mainly to Automotives and Engineering sector.

1. Industry's Structure and Developments

There has been massive push by the Government to every connectivity avenue including industrial corridor, dedicated freight corridors, Bharat Mala, Sagar Mala towards achieving the goal of becoming 5 trillion \$ economy by 2024. The infrastructure and construction industry are the biggest consumer of steel. The auto sector is very important consumer of special and alloy steel. The other industry like power, aerospace, defense have started using more and more special steel thereby giving big boost.

2. Opportunities & Threats

Key Opportunities include:

- Infrastructure sector is going to rebound in view of focused investment by the government.
- High special steel requirement for aerospace and defense application.

Key Threats include:

- Scrap prices are prone to volatility

3. Risks and concerns, the management perceives

- Raw material volatility

4. Internal control system and their adequacy

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, management maintains a system of accounting and controls including an internal audit process. Internal controls are supported by Management reviews.

The Board of Directors have an Audit Committee that is chaired by an Independent Director. The Committee meets periodically with Management, Internal Auditor, Statutory Auditors to review the Company's program of internal controls, audit plans and results, recommendations of the auditors and management's responses to those recommendations.

5. Performance

During the year under review, the company achieved net sales of Rs. 8724 Lakhs as against Rs. 21184 Lakhs in the previous year and resulting into net loss of Rs. 2249 Lakhs against the net loss of Rs. 5078 Lakhs in the previous year.

The Company has done the One Time Settlement (OTS) with institutional lenders and accordingly, the amount has been written off as exceptional items amounting to Rs. 6112 Lakhs through Profit and Loss account.

The year has started with a huge challenge before humanity with the onset of COVID-19 which lead to lockdown throughout the Country. Due to the same, the company's operations also came to a standstill. The first quarter was completely washed out and In the second quarter, though the Company was getting orders but the operations could be started at minimal quantity due to inherent problem of liquidity/ financial difficulty. In spite of Difficulties Company was able to maintain the requirement of OEM.

In view of low volume purchase & irregular payments, the input cost also got affected.

From 25th of November 2020 the company operations in steel plant was given on job work basis to Arjas Steel Private limited and Auto Component division was given to Modern Automotives limited on Job work basis.

6. Human Resources

Human resources are the most valuable assets of the Company and the Company recognizes employees' contributions to the growth of the Company. The Company is having professionalized and motivated work force. Company's manpower was rationalized keeping in view of less equipment utilization. As on 31st March, 2021, the Company has a total workforce of 758 persons.

7. Cautionary statement

The Management Discussion and Analysis Report may contain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the Company's operations such as Government policies, political and economic developments and such other factors are risk inherent to the Company's growth.

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal

Place: Chandigarh Chairman and Managing Director
Dated: 07th December, 2021 DIN: 00482035

**ANNEXURE 'A' TO DIRECTORS' REPORT
Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
- No such contract or arrangement.
2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Nabha Commerce Private Limited Mr. Krishan Kumar Goyal (Managing Director) and his relatives are shareholders of Nabha Commerce Private Limited.
b) Nature of contracts/ arrangements/ transactions	(Purchase / Sale of scrap, rolled products)
c) Duration of the contracts/ arrangements/ transactions	During the year
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company is engaged in the sale / purchase of scrap, rolled products in the normal course of business at arm's length basis.
e) Date(s) of approval by the Board, if any:	At quarterly board meetings
f) Amount paid as advances, if any:	Nil

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal

Place: Chandigarh Chairman and Managing Director

Dated: 07th December, 2021

DIN: 00482035

**ANNEXURE 'B' TO DIRECTORS' REPORT**

Information as per Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2021.

FORM 'A'

	Current Year 2020-21	Previous Year 2019-20
A) Power and Fuel Consumption		
1. Electricity		
Purchased Units (kwh)	3,05,91,176	4,11,83,990
Total Amount Rs.	25,17,62,034	31,94,70,406
Rate Per unit Rs.	8.23	7.76
2. Fuel		
Quantity (Kgs)/kl	6,77,251	9,71,782
Total Amount Rs.	2,68,95,722	4,10,21,651
Rate Per Unit Rs.	39.71	42.21
3. Steam Coal(Gasifire)		
Quantity (Kgs)	34,98,449	45,35,419
Total Amount Rs.	2,77,97,738	4,89,27,262
Rate Per Unit Rs.	7.95	10.79
B) Consumption Per Unit of Production		
1. Production (Concast Billets) MT	25,999	26,866
a. Electricity Units	801	850
b. Furnace Oil (Kgs)	18.14	21.19
2. Production (Ingots) MT	1,223	6,750
a. Electricity Units	801	769
b. Furnace Oil (Kgs)	6.62	5.51
3. Production (Rolled Products with Coal) MT	22,814	28,608
a. Electricity Units	89	87
b. Steam Coal(Kgs)-Gasifire	153	159

FORM 'B'**1. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company is regularly working on the continual improvement of its products looking at its customers/ market requirements.

2. FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with regard to Foreign Exchange earnings and outgo appear on the relevant note of the Balance Sheet.

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal

Place: Chandigarh Chairman and Managing Director

Dated: 07th December, 2021 DIN: 00482035

ANNEXURE 'C' TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

To
The Members of
MODERN STEEL LTD. (CIN: L27109PB1973PLC003358)
G. T. ROAD, MANDI GOBINDGARH
PUNJAB PB IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **MODERN STEEL LTD.** ("the listed entity") having Corporate Identification Number (CIN) **L27109PB1973PLC003358** and registered office at **G. T. ROAD MANDI GOBINDGARH PUNJAB PB IN** (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

I. Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with statutory provisions listed hereunder and also that company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended March 31, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (The Act) and the rules made there under;
- 2) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercials Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):
 - Securities and Exchange Board of India (Listing Obligations and Disclosure

- Requirements) Regulations, 2015 (“LODR Regulations”);
 - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable (N.A.) to the Company during the year under review
 - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable (N.A.) to the Company during the year under review
 - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable (N.A.) to the Company during the year under review
 - Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable (N.A.) to the Company during the year under review
 - Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable (N.A.) to the Company during the year under review
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable (N.A.) to the Company during the year under review.
 - Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **[To the extent applicable]**
 - Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable (N.A.) to the Company during the year under review
- Company during the year under review
- 6) We have relied on the representation made by the Company & its officer for system and mechanism formed by the Company for compliances under other Applicable Acts as Environment Laws & Labour Laws:-

List of Labour Laws

Factories Act, 1948
 Industrial Disputes Act, 1947
 The Payment of Wages Act, 1936
 The Minimum Wages Act, 1948
 Employee's State Insurance Act 1948
 The Payment of Bonus Act, 1972
 The Contract Labour (Regulation and Abolition) Act, 1970
 The Apprentices Act, 1961

List of Environmental Laws

- Environment (Protection) Act, 1986
 The Public Liability Insurance Act, 1991
 Water (Prevention and Control of Pollution) Act, 1974
 Air (Prevention and Control of Pollution) Act, 1981
 Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008
- (B) We have also examined compliance with the applicable clauses/ provisions of the following:
- (i) Secretarial standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the institute of company Secretaries of India;
 - (ii) The Securities and Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations, 2015;
 - (iii) The Listing Agreements entered into by the Company with BSE Limited;

During the period under review, the Company has generally complied with the provision of the Acts, Rules, Regulations, Guidelines and Standards etc mentioned above.

- II. We further report that the board of directors of the company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the relevant act.
- III. We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Observation:

1. *The Company also not Complied with Section 197 of Companies Act 2013 in respect of remuneration paid to Managerial Personnel of the Company.*
- IV. We further report that majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.
- V. We further report that there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.



VI. We further report that during the audit period no specific events/ actions has taken place which has major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Chandigarh

For P. Chadha & Associates

Date: 30th November, 2021

Practising Company Secretaries

(Prince Chadha)

ACS:32856

C P No.:12409

UDIN:A032856C001512290

ANNEXURE:-A

To

THE MEMBERS

MODERN STEEL LTD. (CIN: L27109PB1973PLC003358)

G.T. ROAD,

MANDI GOBINDGARH

PUNJAB PB IN

Our Secretarial Audit Report (Form MR-3) of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance

about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of law, rules, regulations and happening of event etc.
5. The compliance of provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit reports is neither an assurances as to the future viability neither of Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chandigarh

For P. Chadha & Associates

Date: 30th November, 2021

Practising Company Secretaries

(Prince Chadha)

ACS 32856,

CP 12409

UDIN: A032856C001512290

**ANNEXURE 'D' TO DIRECTORS ' REPORT
Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27109PB1973PLC003358
ii) Registration Date	19 th November, 1973
iii) Name of the Company	Modern Steels Limited
iv) Category / Sub-Category of the Company	Public Limited/Listed Company
v) Address of the Registered office and contact details	G. T. Road, Mandi Gobindgarh - 147301 Distt. Fatehgarh Sahib, Punjab India Tel: 01765-257991
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	MCS Share Transfer Agent Limited F-65, First Floor, Okhla Industrial Area Phase-I, New Delhi - 110 020. Tel.No. : +91-11- 41406149, Fax No.: +91-11- 41709881, E-mail : admin@mcsregistrars.com, Website: www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Alloy Bars / Rounds	24105	71%
2	Non Alloy Bars / Rounds	28140	29%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

i) Category-wise Shareholding									
Category of Shareholders	No. of shares held at the beginning of the year (as on 1 st April, 2020)				No. of shares held at the end of the year (as on 31 st March, 2021)				% change during theyear
	Demat	Physical	Total	%	Demat	Physical	Total	%	
A. Promoters									
(1) Indian									
a) Individual /HUF	6885859	-	6885859	50.03	6885859	-	6885859	50.03	-
b) Bodies Corporate	2133077	-	2133077	15.50	2133077	-	2133077	15.50	-
Sub Total (A):-	9018936	-	9018936	65.53	9018936	-	9018936	65.53	-
Total shareholding of Promoter (A)	9018936	-	9018936	65.53	9018936	-	9018936	65.53	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3600	2400	6000	0.04	3600	2400	6000	0.04	-
b) Banks / FI	-	1000	1000	0.01	-	1000	1000	0.01	-
Sub Total (B)(1):-	3600	3400	7000	0.05	3600	3400	7000	0.05	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	58912	43300	102212	0.74	62030	43300	105330	0.77	0.02
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakhs	1784010	738205	2522215	18.33	1776847	736655	2513502	18.26	-0.06
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs.	2064517	21000	2085517	15.15	2071537	21000	2092537	15.20	0.05
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	26479	-	26479	0.19	25054	-	25054	0.18	-0.01
Sub Total (B)(2):-	3933918	802505	4736423	34.42	3935468	800955	4736423	34.42	0.00



MODERN STEELS LIMITED

Category of Shareholders	No. of shares held at the beginning of the year (as on 1 st April, 2020)				No. of shares held at the end of the year (as on 31 st March, 2021)				% change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Total Public Shareholding (B) = (B)(1) + (B) (2)	3937518	805905	4743423	34.47	3939068	804355	4743423	34.47	0.00
C. Shares held by custodian for CDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12956454	805905	13762359	100.00	12958004	804355	13762359	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April, 2020)			Shareholding at the end of the year (as on 31 st March, 2021)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares held	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares held	
1.	Mr. Krishan Kumar Goyal	2496179	18.14	100	2496179	18.14	100	-
2.	Mrs. Alka Goyal	1488840	10.82	100	1488840	10.82	100	-
3.	Mr. Amarjit Goyal	1189250	8.64	100	1189250	8.64	100	-
4.	M/s Nabha Commerce Pvt Ltd.	837750	6.09	100	837750	6.09	100	-
5.	Mr. Aditya Goyal	795590	5.78	100	795590	5.78	100	-
6.	M/s Chandigarh Finance Pvt Ltd	380625	2.77	100	380625	2.77	100	-
7.	M/s Krishan Kumar Goyal (HUF)	546000	3.97	100	546000	3.97	100	-
8.	M/s Amarjit Goyal (HUF)	370000	2.69	100	370000	2.69	100	-
9.	M/s Times Finvest & Commerce Limited	234702	1.71	100	234702	1.71	100	-
10.	M/s Indo Pacific Finlease Limited	680000	4.94	100	680000	4.94	100	-
Total		9018936	65.53	100	9018936	65.53	100	-

iii. Change in Promoters Shareholding (please specify if there is any change)

There is no change in the Promoter's shareholding during the year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (as on 1 st April, 2020)		Date on which purchase/sale made	Purchase during the year	Sale during the year	Cumulative shareholding at the end of the year (as on 31 st March, 2021)	
		No. of shares	% of total shares of the Company		No. of shares	No. of shares	No. of shares	% of total shares of the Company
1.	Mr. Ajay Goyal	469135	3.41	-	-	-	469135	3.41
2.	Mrs. Veenu Garg	366707	2.66	-	-	-	366707	2.66
3.	Mr. Laven Kumar Goyal	195672	1.42	-	-	-	195672	1.42
4.	Mr. Vijay Garg	187921	1.37	-	-	-	187921	1.37
5.	Mr. Divyesh Ghanshyam Mehta*	0	0.00	Purchase	91,978	-	91978	0.67
6.	Mr. Ajay Goyal	45000	0.33	-	-	-	45000	0.33
7.	Ms. Hina Dhirajlal Ambani	44000	0.32	-	-	-	44000	0.32
8.	M/s Kamal Leasing Limited	40750	0.30	-	-	-	40750	0.30
9.	Mr. Nitin Garg*	33003	0.24	-	-	-	33003	0.24
10.	Ms. Nipa Chetan Ambani*	30220	0.22	-	-	-	30220	0.22

*Not in the list of top 10 shareholders as on 01/04/2020. The same has been reflected above since the shareholders were one of the top 10 shareholders as on 31/03/2021.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (as on 1 st April, 2020)		Purchase during the year	Sale during the year	Cumulative Shareholding at the end of the year (as on 31 st March, 2021)	
		No. of shares	% of total shares of the Company	No. of shares	No. of shares	No. of shares	% of total shares of the Company
1.	Mr. Krishan Kumar Goyal	2496179	18.14	-	-	2496179	18.14
2	Mr. D.S. Gill*	500	-	-	-	500	-
3	Mr. Priyavrat Thareja*	250	-	-	-	250	-

* The tenure of Mr. Mr. D.S. Gill and Dr. Priyavrat Thareja has expired on 28th December, 2020. No other Director / KMP / Company Secretary is holding any shares in the Company during the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

	Secured Loans excluding deposits	Working Capital Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April, 2020)					
i) Principal Amount	762467912	1,045,584,788	24,733,284	-	1,832,785,984
ii) Interest due but not paid	13,565,974	-	-	-	13,565,974
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	7,76,033,886	1,045,584,788	24,733,284	-	1,846,351,958
Change in indebtedness during the financial year					
- Addition	-	-	84,861,318	-	84,861,318
- Reduction	58,177,460	820,744,357	-	-	1,40,25,18,997
Net change	58177,460	820,744,357	84,861,318	-	-1317657679
Indebtedness at the end of the financial year (as on 31st March, 2021)					
i) Principal Amount	186,206,153	224,840,431	109,594,602	-	520,641,186
ii) Interest due but not paid	8,053,093	-	-	-	8,053,093
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	194,259,246	224,840,431	109,594,602	-	528,694,279

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The remuneration of Directors and Key Managerial Personnel appears in the Corporate Governance Report.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

The penalty as imposed by BSE appears in the Corporate Governance Report.

For and on behalf of the Board

Krishan Kumar Goyal
Chairman and Managing Director
DIN: 00482035

Place: Chandigarh
Dated: 07th December, 2021

**CORPORATE GOVERNANCE REPORT**

In line with the requirement for providing a “Report on Corporate Governance” as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges as applicable, given below is a report on the Company’s Corporate Governance norms.

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Modern Steels Limited is committed in adopting the best practices of Corporate Governance. The Company endeavors to act on the principles of transparency, accountability, trusteeship, integrity and passion. The ultimate objective being of realizing long term shareholder value, while taking into account the interest of other stakeholders.

2. BOARD OF DIRECTORS**A. Composition and category of the Board of Directors**

A list of Directors including the Chairman of the Board and their status as Executive / Non-Executive and Independent / Non-Independent during the year ended 31st March, 2021 is set out below:

Name of the Director	Category of the Director	No. of Board meetings attended	Last AGM attended	No. of other Directorships in Public Company	No. of Committee positions held		Relationship between Directors inter se
					Chairman	Member	
Mr. Krishan Kumar Goyal*	Chairman & Managing Director, Executive – Non Independent Director	6	Yes	1	-	-	NA
Mr. D.S. Gill**	Non-Executive – Independent Director	5	Yes	-	-	-	NA
Dr. Priyavrat Thareja**	Non-Executive – Independent Director	5	Yes	-	-	-	NA
Dr. Meena Sharma	Non-Executive – Independent Director	6	Yes	-	-	3	NA
Prof. Satish Kumar Kapoor***	Non-Executive – Independent Director	5	Yes	-	3	-	NA
Dr. Avtar Krishan Vashist****	Non-Executive – Independent Director	NA	NA	-	-	3	NA

* Mr. Krishan Kumar Goyal is also a Chairman and Managing Director in Modern Dairies Limited.

** The tenure of Mr. D.S. Gill and Dr. Priyavrat Thareja has expired on 28th December, 2020.

*** Mr. Satish kumar Kapoor is appointed as Non-Executive independent Director on 14th of October 2020.

**** Mr. Avtar Krishan Vashist is appointed as Non-Executive additional independent Director w.e.f 11th of May 2021

Note: In accordance with provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 membership/chairmanship of the Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (listed / unlisted) have been considered.

B. Board Meeting and Attendance

During the financial year ended 31st March, 2021, Six meetings of Board of Directors were held. The details of Board Meetings held during the year are as under:

Date of Board Meeting	Board’s Strength	No. of Directors Present
21 st May, 2020	5	4
14 th October, 2020	5	5
12 th November, 2020	5	5
13 th November, 2020	5	5
25 th November, 2020	5	5
10 th February, 2021	3	3

Mr. D.S. Gill is holding 500 equity shares in the Company and Dr. Priyavrat Thareja is holding 250 equity shares in the Company. No other Non-Executive Director is holding any shares in the Company. However, the tenure of Mr. D.S. Gill and Dr. Priyavrat Thareja has expired on 28th December, 2020.

C. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are available with the Board:

Industry knowledge and Experience	Understanding of the relevant laws, rules, regulation, policies applicable to the organisation.
	Understanding of the best Corporate Governance practices, relevant governance codes, governance structure, processes and practices followed by the organisation.
	Understanding of business ethics, ethical policies, codes and practices of the organisation.
	Understanding of the structures and systems which enable the organisation to effectively identify, assess and manage risk and crisis.

- D.** All the Directors on the Board have the above mentioned skills/expertise/competencies.
E. The Board hereby confirms that the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and are independent of the management.

3. AUDIT COMMITTEE

a. Terms of reference of Audit Committee

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;



(21) carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

b. Composition of Audit Committee

1. The Company has an Audit Committee as per provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 177 of the Companies Act, 2013.

The constitution of the Audit Committee is as under:

Name of Director	Member / Chairman
Prof. Satish Kumar Kapoor (Appointed as the Chairman w.e.f 25 th November, 2020)	Chairman
Dr. Avtar Krishan Vashist (Appointed as the member w.e.f 11 th May, 2021)	Member
Dr. Meena Sharma	Member
Mr. Krishan Kumar Goyal (Appointed as the member w.e.f 25 th November, 2020 and ceased to be member from 11 th May, 2021)	–
Mr. D.S. Gill (Ceased to be Chairman from 25.11.2020)	–
Dr. Priyavrat Thareja (Ceased to be Member from 25.11.2020)	–

2. The Chairperson of the Audit Committee is a Non-Executive Independent Director.
3. All of the above Directors are financially literate and have accounting and related financial management expertise.
4. The Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholders queries.
5. The Company Secretary of the Company is the Secretary of the Audit Committee.

c. Meetings and attendance of Audit Committee

The Committee met three times during the year on 14th October 2020, 12th November 2020 and 10th February 2021. The status of attendance of members at the Audit Committee meetings held during the year is as under:

Name of Director	No. of Meetings in which Director was entitled to attend during 2020–21	No. of Meetings attended during 2020–21
Mr. D.S. Gill	2	2
Dr. Priyavrat Thareja	2	2
Dr. Meena Sharma	3	3
Prof. Satish Kumar Kapoor	2	2
Mr. Krishan Kumar Goyal	1	1

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a. The terms of reference of the Committee are as follows-

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

b. Composition of Nomination and Remuneration Committee

The constitution of the Nomination and Remuneration Committee is as under:

Name of Director	Member / Chairman
Prof. Satish Kumar Kapoor (Appointed as the Chairman w.e.f 25 th November, 2020)	Chairman
Dr. Avtar Krishan Vashist (Appointed as the member w.e.f 11 th May, 2021)	Member
Dr. Meena Sharma	Member
Mr. D.S. Gill (Ceased to be Member from 25.11.2020)	–
Dr. Priyavrat Thareja (Ceased to be Chairman from 25.11.2020)	–

c. During the year, the meeting of this Committee was held on 14th October 2020.

Name of Director	No. of Meetings in which Director was entitled to attend during 2020–21	No. of Meetings attended during 2020–21
Mr. D.S. Gill	1	1
Dr. Priyavrat Thareja	1	1
Dr. Meena Sharma	1	1
Prof. Satish Kumar Kapoor	NA	NA

- d. Performance evaluation criteria:** A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2020-21. Led by the Nomination & Remuneration Committee ('NRC'), the evaluation was carried out using individual questionnaires covering composition of Board, conduct as per Company values & beliefs, contribution towards development of strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc.

5. REMUNERATION OF DIRECTORS

The Executive Directors are paid remuneration as per the terms approved by the Board of Directors and confirmed by the shareholders of the Company. Service contracts are entered into in terms of regulations governing their appointment and terms of remuneration. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company etc. The remuneration structure comprises Basic Salary, Perquisites and allowances, contribution to Provident Fund and other funds in accordance with various related provisions of the Companies Act, 2013. The Non-Executive Directors are paid sitting fee of Rs.20,000 per Board Meeting and Rs.10,000 for Committee Meetings attended by them.

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2021:

Amount in Rs.

Name of the Director	Salary	Benefits/PF	Perquisites	Stock Option	Sitting Fee	Total
Mr. R. K. Sinha	2,75,806	25,855	22,409	–	–	3,24,069
Mr. D.S. Gill	–	–	–	–	1,30,000	1,30,000
Dr. Priyavrat Thareja	–	–	–	–	1,30,000	1,30,000
Dr. Meena Sharma	–	–	–	–	1,70,000	1,70,000
Prof. Satish Kumar Kapoor	–	–	–	–	1,20,000	1,20,000

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company has formed a Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a. The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

b. The list of members and the Chairman of the Committee is as follows:

Name of Director	Member / Chairman
Prof. Satish Kumar Kapoor (Appointed as the Chairman w.e.f 25 th November, 2020)	Chairman
Dr. Avtar Krishan Vashist (Appointed as the member w.e.f 11 th May, 2021)	Member
Dr. Meena Sharma	Member
Mr. D.S. Gill (Ceased to be Chairman from 25.11.2020)	–
Dr. Priyavrat Thareja (Ceased to be Member from 25.11.2020)	–
Mr. Krishan Kumar Goyal (Appointed as the member w.e.f 25 th November, 2020 and ceased to be member from 11 th May, 2021)	–

c. The Chairman of the Committee is a Non-Executive Independent Director nominated by the Board.**d. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting to answer the Shareholders queries.****e. Mr. Ashish Sharma, GM (Secretarial) & Company Secretary was Compliance Officer of the Company till 06th March 2021.****f. During the financial year ended 31st March, 2021, three meetings of the Stakeholders Relationship Committee were held on 14th October 2020, 12th November 2020 and 10th February 2021.**

Name of Director	No. of Meetings in which Director was entitled to attend during 2020-21	No. of Meetings attended during 2020-21
Mr. D.S. Gill	2	2
Dr. Priyavrat Thareja	2	2
Dr. Meena Sharma	3	3
Prof. Satish Kumar Kapoor	2	2
Mr. Krishan Kumar Goyal	1	1

g. During the year 2020-2021, the Company has not received any complaint from the shareholders.**7. GENERAL BODY MEETINGS**

Financial Year	Location	Date	Time
2017-18	Regd. Office: G.T. Road, Mandi Gobindgarh (Pb.)	29.09.2018	11.00 A.M.
2018–19	Regd. Office: G.T. Road, Mandi Gobindgarh (Pb.)	30.09.2019	11.00 A.M.
2019-20	Regd. Office: G.T. Road, Mandi Gobindgarh (Pb.)	28.12.2020	11.00 A.M.

Special Resolutions passed in previous three AGMs:

- (i) In the 44th AGM dated 29.09.2018 the following Special resolutions were passed:
 - a) Re-appointment of Dr. Meena Sharma (DIN: 07241589) as an Independent Non- Executive Director.
 - b) Review of remuneration paid to Mr. R.K. Sinha (DIN: 00556694) as Director (Operations) of the Company.
- (ii) In the 45th AGM dated 30.09.2019, the following Special resolutions were passed:
 - a) To continue the directorship of Mr. Dildar Singh Gill (DIN: 00211236) as an Independent Non-Executive Director who has attained the age of 75 years above.
 - b) To adopt new set of Memorandum of Association/ Articles of Association as per Companies Act, 2013.
 - c) Approval of remuneration paid to Mr. Krishan Kumar Goyal, as Managing Director from 1st April, 2017 pursuant to amended Section 197 of the Companies Act, 2013

- d) Approval of remuneration paid to Mr. Rajesh Kumar Sinha, as Director (Operations) from 28th May, 2018 pursuant to amended Section 197 of the Companies Act, 2013
- (iii) In the 46th AGM dated 28.12.2020, the following Special resolutions were passed:
- To re-appoint Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company for further period of 3 years.
 - To appoint Prof. Satish Kumar Kapoor (DIN: 00009122) as a non-executive Independent Director
 - To approve the material related party transactions with Nabha Commerce Private Limited.
 - To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2021.
 - To sell/ transfer/ dispose-off Business Undertaking of the Company.

During the year, the Company has not passed any resolution through postal ballot and as of now there is no proposal to pass any resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

Quarterly results: The Quarterly /Half yearly/Yearly results of the Company, Notice of Board Meeting and information relating to Annual General Meeting, Book Closures is published in The Financial Express and Rozana Spokesman i.e. in English and regional language newspaper and is also notified to the Stock Exchange as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In addition, the Company also files quarterly results, Shareholding Pattern etc. in such form so as to enable Stock Exchange to put it on their website.

Website: www.modernsteels.com

Annual Report: The Annual Report containing Audited Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report is circulated to the members by email.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated email-id: The Company has designated following email ID exclusively for Investor Servicing: secretarial@modernsteels.com

Management Discussion and Analysis forms part of the Annual Report, which is e-mailed to the shareholders.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Day, Date & Time: Thursday, the 30th day of December, 2021 at 11.00 a.m.

Venue: Through Video Conferencing/other Audio Visual means.

2. Financial Calendar for:

Adoption of Results for the quarter ended:	In the Month of (tentative)
30 th June, 2021	December, 2021 (1 st week)
30 th September, 2021	January, 2022 (2 nd week)
31 st December, 2021	February, 2022 (2 nd Week)
31 st March, 2022	May, 2022
Annual General Meeting	September, 2022



MODERN STEELS LIMITED

3. Book Closure Date:

From 24th December, 2021 to 30th December, 2021 (both days inclusive)

4. Listing on Stock Exchanges:

Your Company is listed at the BSE Limited (BSE).

5. Stock Code:

BSE: 513303

ISIN No. in NSDL & CDSL: INE001F01019

6. Stock Data:

Month	MODERN STEELS LTD. ON BSE				BSE SENSEX		
	High Rs.	Low Rs.	Close Rs.	Volume	High	Low	Close
2020							
April	-	-	-	-	33,887.25	27,500.79	33,717.62
May	7.13	7.13	7.13	294	32,845.48	29,968.45	32,424.10
June	8.65	6.78	8.00	91,189	35,706.55	32,348.10	34,915.80
July	8.40	6.86	6.86	4,092	38,617.03	34,927.20	37,606.89
August	6.52	3.84	4.08	76,985	40,010.17	36,911.23	38,628.29
September	4.91	3.71	4.43	56,458	39,359.51	36,495.98	38,067.93
October	4.86	3.40	3.72	63,345	41,048.05	38,410.20	39,614.07
November	4.80	3.21	4.25	82,661	44,825.37	39,334.92	44,149.72
December	4.73	3.81	3.81	81,703	47,896.97	44,118.10	47,751.33
2021							
January	3.99	2.73	2.85	1,29,726	50,184.01	46,160.46	46,285.77
February	3.47	2.72	3.41	55,795	52,516.76	46,433.65	49,099.99
March	4.01	3.41	3.90	26,476	51,821.84	48,236.35	49,509.15

7. Registrars and Share Transfer Agents (For Physical as well as for Demat Segment):

M/s. MCS Share Transfer Agent Limited

F-65, First Floor, Okhla Industrial Area Phase-I, New Delhi - 110 020.

Tel. No.: +91-11-41406149 , Fax No.: +91-11-41709881,

E-mail: admin@mcsregistrars.com, Website: www.mcsregistrars.com.

All shareholders of the Company can avail online services from our Registrars & Share Transfer Agents M/s. MCS Share Transfer Agent Limited, with regard to Investor Grievances. Please login on the site of M/s. MCS Share Transfer Agent Limited at www.mcsregistrars.com and click on Investors Services and you can register your queries / grievances and details as required by you. The registered queries/grievances on the site will be responded by M/s. MCS Share Transfer Agent Limited on priority basis.

8. Share transfer System:

94.15% of the equity shares of the Company are in the electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with M/s. MCS Share Transfer Agent Limited or with Company at above mentioned addresses.

9. Distribution of Shareholding as on 31st March, 2021:

SHAREHOLDING		SHAREHOLDERS		NO. OF SHARES	
From	To	Number	% of total	Number	% of total
1	500	5770	87.65	1280921	9.30
501	1000	396	6.01	318716	2.31
1001	2000	201	3.04	291549	2.12
2001	3000	47	0.70	115184	0.84
3001	4000	34	0.50	121259	0.88
4001	5000	22	0.32	102834	0.75
5001	10000	51	0.76	364722	2.65
10001	50000	42	0.62	836825	6.08
50001	100000	1	0.14	91978	0.67
100001	And Above	18	0.26	10238371	74.40
TOTAL		6582	100.00	13762359	100.00

Shareholding Pattern of the Company as on 31st March, 2021:

Category	No. of shares held	%age of shareholding
Promoters & Promoter Group	9018936	65.53
Mutual Funds & Banks	7000	0.05
Bodies Corporate (not included above)	105330	0.77
Indian Public	4606039	33.47
NRIs/OCBs	25054	0.18
TOTAL	13762359	100.00

10. Dematerialisation of Shares:

The trading in Company's shares is permitted only in dematerialised form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Dematerialisation record: The following data indicates the extent of Dematerialization of Company's shares as on 31st March, 2021.

No. of Shares : 1,29,58,004	94.15% of the total equity.
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11. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

12. Plant Location of the Company:

Registered Office & Works: G.T. Road, Mandi Gobindgarh – 147 301 Distt. Fatehgarh Sahib, Punjab

13. Correspondence Address:

All queries of investors regarding the Company's shares in Physical / D'mat form may be sent at the following addresses:

- i) Modern Steels Limited
Corporate Office: SCO 98-99, Sub City Centre, Sector 34, Chandigarh-160022
Tel.: +91-172-2609001, 2609002, 2609003, Fax: +91-172-2609000
E-mail: secretarial@modernsteels.com, Company's Website: www.modernsteels.com
- ii) M/s. MCS Share Transfer Agent Limited
F-65, First Floor, Okhla Industrial Area Phase-I, New Delhi 110 020.
Tel. No.: +91-11-41406149, Fax No.: +91-11-41709881,
E-mail: admin@mcsregistrars.com, Website: www.mcsregistrars.com



14. Other Disclosures:

- a) Disclosure on materially significant related party transactions:
All material transactions with related parties as defined under the Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business. They have been approved by the Audit Committee, Board of Directors and Shareholders.
- b) Details of non-compliance by listed Company, penalties: BSE Ltd. imposed a penalty of Rs. 6,01,800/-for non-compliance during the year 2020-21. The Company has duly complied with the regulation and has paid the said amount
- c) Detail of establishment of vigil mechanism, whistle blower policy:
The Company has established a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees to report concerns about unethical behavior. No person is denied access to the Chairman of the Audit Committee.
- d) Details of compliance with mandatory requirements:
The Company is complying with all the mandatory requirements as given by Stock Exchange / Registrar of Companies.
- e) The Company is not having any subsidiary, therefore no policy for determining material subsidiaries.
- f) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- g) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.
Details relating to fees paid to the Statutory Auditors are given in Relevant Note to the Financial Statements.
- h) Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees are covered under this Policy.
As per the said Policy, an Internal Complaints Committee is also in place to redress complaints received regarding sexual harassment. No complaints were received during financial year 2020-21.

Declaration regarding compliance by Board members and Senior management personnel with the Company's code of conduct.

The Shareholders,

I, Krishan Kumar Goyal, Chairman & Managing Director of the Company do hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Board of Directors, as applicable to the Board of Directors and Senior Management of the Company.

Place: Chandigarh
Dated: 07th December, 2021

Krishan Kumar Goyal
Chairman & Managing Director
DIN: 00482035

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
MODERN STEEL LTD.,
G. T. ROAD, MANDI GOBINDGARH
PUNJAB IN

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MODERN STEEL LIMITED** [CIN **L27109PB1973PLC003358**] and having registered office at **G T ROAD MANDI GOBINDGARH IN** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. Chadha & Associates
Company Secretaries

Prince Chadha (Prop.)

M. No.: 32856

C.P. No.: 12409

UDIN: A032856C001512081

Place: Chandigarh
Date: 30th November, 2021



Certificate on Compliance with the conditions of Corporate Governance under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Members of
MODERN STEEL LIMITED
G. T. ROAD, MANDI GOBINDGARH PUNJAB IN

We have examined the compliance of conditions of Corporate Governance by Modern Steel Limited (the company) for the year ended on 31st March 2021 as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information, and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. Chadha & Associates
Company Secretaries

Place: Chandigarh
Dated: 30th November, 2021

Prince Chadha (Prop.)
M. No.: 32856
C.P. No.: 12409
UDIN: -A032856C001512125

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF MODERN STEELS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Modern Steels Limited, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

We have audited the standalone financial statements of Modern Steels Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss, (statement of changes in equity) and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report and Emphasis of Matters, these quarterly financial results as well as the year to end results are presented in accordance with requirements of Regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 in this regard and give a true and fair view of total comprehensive income comprising of net profit and other comprehensive income and financial information for the quarter ended 31st March, 2021 and for the year ended March 31st, 2021

BASIS FOR QUALIFIED OPINION

Director's remuneration is not admissible as prescribed in Sec-197 of companies Act, 2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required

The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration to Mr. R.K Sinha (Director) amounting to Rs. 2,75,806.

Apart from the managerial remuneration for year ended 31st March, 2021, as mentioned above the company has paid director remuneration of Rs. 2,63,72,566 without complying the provisions of Schedule V of the companies Act, 2013.



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

EMPHASIS OF MATTER (EOM) PARA

(A) Assignment of debt of SBI and Canara Bank to ARC

Earlier, two lender banks of the company viz. State Bank of India (SBI) and Canara Bank had assigned their loans and other facilities along with underlying financial documents together with all the rights, title and interest to Edelweiss Asset Reconstruction Company Limited, acting in its capacity as trustee of the EARC Trust-SC 306 for the benefits of the holders of the Security Receipts issued by the trustee there under.

Total outstanding debts of Edelweiss Asset Reconstruction Company (against debts of SBI and Canara Bank assigned in previous year) stood at Rs.1,35,70,06,116 as on 31.03.2020. During the year, same has been settled for Rs 75,00,00,000 and the balance amount of Rs. 60,70,06,116 has been written off through Profit & Loss Account.

Further interest due in the books amounting to Rs. 55,12,881 (not included above) on these facilities has also been written off through P&L Account.

(B) One Time Settlement (OTS) with PNB

The Accounts of company with PNB had become non-performing assets (NPA). Earlier, Punjab National Bank had approved One Time Settlement for its credit facilities. The company failed to comply the term of the same & the One Time Settlement was failed. The company has again proposed to PNB for One Time Settlement (OTS). The same is still under consideration.

Hence, interest amounting to Rs.117 lacs for the quarter ended 31.03.2021 and Rs. 592 lacs for the year ended on 31st March 2021 were not provided due to which the financial results are affected to the same extent and reason for the same are specified in point C below.

(C) Interest provisioning on facilities from Consortium banks:

The Company's various credit facilities have been declared "Non-Performing Assets" by its respective

banks. There is a usual practice that banks discontinue to account for as "income" in respect to the accrued interest on such assets, subsequent to the declaration of these as "Non-performing assets". The bankers of the company too have not accounted as "income" in respect to the interest subsequent to NPA declaration date. In order to achieve the desired congruency on this issue & uncertainty of the amount liable to be paid, the management of the company has not provided for such interest.

(D) Share of Profit/Losses:

As per the mutual understanding with Arjas Steels Private limited, operational losses of steel division from 01.11.2020 to 31.03.2021 amounting to Rs 4.87Cr has to be borne by Arjas Steel Pvt Ltd. The same has been provided as conversion charges recoverable from Arjas Steels Pvt Ltd for the job work done for them during the said period. However, no evidence of this understanding and acceptance thereof by Arjas Steel Pvt. Ltd was produced before us. The balance of Arjas Steels Private Limited are subject to their confirmation.

Further, similarly on the basis of mutual understanding with the Modern Automotive Limited, as informed to us, an operational loss of automotive division from 01.11.2020 to 31.03.2021 has to be borne by Modern Automotive Limited. No evidence of this understanding and acceptance thereof by Modern Automotive Limited was produced before us. Accordingly, loss of Auto Component Division from 01.11.2020 to 31.03.2021 is Rs 2.13Cr. The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd. Out of these, an amount of Rs1.68Cr has been booked as such through additional invoice and the balance of Rs.0.45cr has been provided as recoverable from Modern Automotive Ltd. The balance of Modern Automotive Limited are also subject to their confirmation.

However, any expenses incurred at the corporate office situated at Chandigarh is to be borne by the modern steels ltd itself.

(E) Material Uncertainty related to Going-Concern

The preparation of the financial statements is done on going concern basis, consequently assets and liabilities are being carried at their book value. We draw attention to the financial statements, which indicates that the company had accumulated losses and has also incurred losses during the financial year ended 31st March 2021. As on date, the Company's current liabilities exceeded its current assets and the Company's net worth has also been eroded. There are negative operating cash flows indicated by historical financial statements, adverse key financial ratios, and inability to comply with the term loan agreements. These conditions indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-3, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For AARYAA & Associates

Chartered Accountants

CA Harsharanjit Singh Chahal
Partner

Membership No. 091689
(Firm Registration No. 015935N)
UDIN: 21091689AAAASO2925

Place: Chandigarh
Date: 07th December, 2021

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of the company for the year ended 31 March, 2021. To the best of our knowledge and belief and information & explanation given to us, we further report that:

1. a) The company has maintained proper records to show full particulars including quantitative details & situation of its fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals which in our opinion is appropriate having regards to size of the company and nature of its assets. No material discrepancies have been noticed during the year.
 - c) The title deeds of immovable properties are held in the name of the Company.
2. a) The inventory of the company has been physically verified by the management at reasonable intervals during the year.
 - b) No material discrepancies were noticed.
3. The company has not granted loans, secured or unsecured to Companies, Firms or other parties covered in the Register maintained u/s 189 of the Company Act 2013 during the year.
4. In respect of loans, investments, guarantee and security the provisions of section 185 and 186 of the Companies Act 2013 have been complied with.
5. The company has accepted loans from directors amounting to ₹ 1.904 crore. The company has complied with the directives issued by the Reserve Bank of India & with the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
6. On the basis of records produced to us, we are of the opinion that prima facie the cost records prescribed by the Central Government of India under section 148(1) of the Act have been made & maintained & also cost audit will be conducted in due course of time. We have not carried out any detailed examination of such Account & records.
7. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues in respect of Provident Fund, Employee's State Insurance dues, Investor Education and Protection Fund, Income Tax, Service Tax, Cess, Goods and Services Tax and other material statutory dues have generally been regularly deposited by the Company during the year with the appropriate authorities in India and there were no arrear outstanding in respect



of above for a period of more than six month as on 31.03.2020.

- (b) According to the records of the Company examined by us and the information and explanations given to us, there are no dues of Goods and Service Tax, sales tax, income tax, customs duty, service tax, excise duty and cess which have not been deposited on account of any dispute other than the following amounting to ₹1.03 crore. The details are as under:

NATURE OF DUES/NAME OF STATUTES	FORUM WHERE DISPUTE IS PENDING	YEAR	DISPUTED AMOUNT (₹)
EXCISE DUTY			
CENTRAL EXCISE ACT 1944	COMMISSIONER (APPEALS), CHANDIGARH	2007-08	2,56,533
CENTRAL EXCISE ACT 1944	COMMISSIONER (APPEALS), CHANDIGARH	2007-08 to 2008-09	2,59,085
CENTRAL EXCISE ACT 1944	COMMISSIONER (APPEALS), CHANDIGARH	2004-05 to 2006-07	89,56,212
CENTRAL EXCISE ACT 1944	CHANDIGARH	2008-09 to 2009-10	8,50,927

8. During the year ended 31 March 2021, the Company has defaulted on timely repayment of principal and payment of interest on term loans and cash credits relating to PNB amounting to Rs4110 lacs and 592 lacs respectively.

The Company has not provided any provision w.r.t. Interest as mentioned above.

The Company did not raise money by way of initial public offer or further public offer (including debt instruments and term loans during the year)

9. As per the information and explanation given to us and on the basis of examination of records, no material fraud on or by the Company was noticed during the course of our audit.
10. The Company has not paid managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Companies Act. The details of the same have been mentioned in the Basis of Qualified opinion section of Audit Report.
11. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special/statute applicable to Nidhi Company are not applicable to it.
12. All transactions with related parties are in accordance with section 177 and 188 of the Companies Act 2013 and details have been disclosed in the financial

statements as required by the applicable accounting standards.

13. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
14. The Company has not entered into any non cash transactions with directors or persons connected with him during the year under review.
15. The Company is not required to be registered under section 45-IA of the Reserve Bank of India 1934.

For Aaryaa Associates
Chartered Accountants
Firm Registration No. 015935N

CA Harsharanjit Singh Chahal
Partner
M. No.091689
UDIN: 21091689AAAASO2925

Place: Chandigarh

Dated: 07th December, 2021

ANNEXURE 2

Annexure to the Independent Auditor's Report of even date to the members of Modern Steels Limited, on the financial statements for the year ended 31st March, 2021

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Modern Steels Limited ("the Company") as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate

internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AARYAA & ASSOCIATES

Chartered Accountants
(Firm Registration No. 015935N)
UDIN: 21091689AAAASO2925

CA HARSHARANJIT SINGH CHAHAL

Place: Chandigarh (Partner)
Date: 07th December, 2021 Membership No. 091689



MODERN STEELS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2021

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	31 March 2021 ₹ in Lakhs	31 March 2020 ₹ in Lakhs
A ASSETS			
1 Non-current assets			
a) Fixed Assets	III		
i) Property, Plant and Equipment		49,91	54,48
ii) Capital work-in-progress		67	28
iii) Other Intangible assets		8	9
b) Investments	IV	3	3
c) Other non-current assets	V	5,30	5,32
		<u>55,99</u>	<u>60,19</u>
2 Current assets			
a) Inventories	VI	16,52	19,78
b) Financial Assets			
(i) Trade receivables	VII	14,14	25,17
(ii) Cash and cash equivalents	VIII	12	20
(iii) Bank balances	IX	-	-
(iv) Short Term advances	X	3,33	2,26
c) Other Current Assets	XI	4,96	5,08
		<u>39,07</u>	<u>52,48</u>
		<u>95,06</u>	<u>1,12,67</u>
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	XII	14,40	14,40
(b) Other Equity	XIII	(92,91)	(1,32,01)
Sub-total-Shareholders funds		<u>(78,51)</u>	<u>(1,17,61)</u>
2 LIABILITIES			
Non-current-liabilities			
(a) Provisions	XIV	2,17	2,32
(b) Other non-current liabilities	XV	2	2
Sub-total-Non current liabilities		<u>2,19</u>	<u>2,34</u>
3 Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	XVI	30,69	30,08
(ii) Other financial liabilities	XVII	52,86	1,84,64
(b) Other current liabilities	XVIII	86,80	12,48
(c) Short term provisions	XIX	1,03	75
Sub-total-Current liabilities		<u>1,71,38</u>	<u>2,27,94</u>
Significant Accounting Policies	II	<u>95,06</u>	<u>1,12,67</u>
The Notes I to XXXIX form an integral part of the Financial Statements			

For and on behalf of Board of Directors

For AARYAA & ASSOCIATES

Chartered Accountants
Firm Registration No 015935N

DIVNAIN SINGH CHOWDHARY
Chief Financial Officer

KRISHAN KUMAR GOYAL
Chairman & Managing Director
(DIN: 00482035)

CA HARSHARANJIT SINGH CHAHAL

Partner
M.No 091689
Place: Chandigarh
Dated: 07th December, 2021

HIMANSHU KALRA
Company Secretary

SATISH KAPOOR
Director
(DIN: 00009122)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2021

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars		Notes	Year ended 31 March 2021 ₹ in Lakhs	Year ended 31 March 2020 ₹ in Lakhs
INCOME				
I	Revenue From Operations	XX	83,53	2,11,46
II	Other Income	XXI	3,71	38
III	Total Revenue		87,24	2,11,84
IV EXPENSES				
	Cost of materials consumed	XXII	20,89	1,10,90
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	XXIII	3,78	13,64
	Employee benefits expense	XXIV	20,23	23,54
	Finance costs	XXV	46	39
	Depreciation and Amortisation expenses	III	4,87	4,86
	Other expenses	XXVI	59,51	1,09,29
	Total expenses		1,09,74	2,62,62
V	Profit / (Loss) Before exceptional Items		(22,50)	(50,78)
VII	Other Comprehensive Income			
	a) Items that will not be reclassified to profit or loss	XXVII	13	(1,38)
	b) Items that will be reclassified to profit or loss			(1)
	Exceptional Items		(61,25)	-
XI	Total Other Comprehensive Income (net)		(61,12)	(1,39)
	Profit / (Loss) After exceptional Items		38,62	(49,39)
	Earning per share		28.07	(35.90)
	Significant Accounting Policies	II		
	The Notes I to XXXIX form an integral part of the Financial Statements			

For and on behalf of Board of Directors

For AARYAA & ASSOCIATESChartered Accountants
Firm Registration No 015935N**DIVNAIN SINGH CHOWDHARY**
Chief Financial Officer**KRISHAN KUMAR GOYAL**
Chairman & Managing Director
(DIN: 00482035)**CA HARSHARANJIT SINGH CHAHAL**Partner
M.No 091689
Place: Chandigarh
Dated: 07th December, 2021**HIMANSHU KALRA**
Company Secretary**SATISH KAPOOR**
Director
(DIN: 00009122)



MODERN STEELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	31 March 2021 ₹ in Lakhs	31 March 2020 ₹ in Lakhs
A Cash Flow from Operating Activities:		
Net Profit/(Loss) after tax	(22,62)	(50,78)
Adjusted for :		
i. Depreciation	4,87	4,86
ii. Loss on Sale of Fixed Assets	-	0
iii. Capital Reserve	-	-
iv. Exceptional Items	61,25	-
v. Prior period adjustments	47	1,41
vi. Finance Cost	46	39
vii. Interest Income	(24)	(36)
	<u>66,80</u>	<u>6,30</u>
Operating profit before working Capital Changes	44,18	(44,48)
Adjusted for :		
i. Inventories	3,27	21,29
ii. Trade & Other receivables	9,51	30,85
iii. Trade Payable & Other Liabilities	75,21	(6,48)
	<u>88,00</u>	<u>45,66</u>
Cash Generated from Operations	1,32,18	1,18
i. Taxes Paid	55	11
Net Cash outflow from Operating Activities (A)	1,32,73	1,29
B Cash Flow from Investing Activities		
i. Purchase of Fixed Assets	(68)	(31)
ii. Sale/Adjustments of Fixed Assets/ others	2	1
iii. Purchase/Sale of Investment	-	-
iv. Interest Income	24	36
v. Increase(Decrease) in Bank balances not considered as cash and cash equivalents	-	-
Net Cash used In Investing Activities (B)	(43)	6
C Cash Flow from Financing Activities		
i. Net Increase(Decrease) in other financial liabilities	(1,31,76)	(2,27)
ii. Net Increase(Decrease) in Liabilities/Provisions	(15)	38
iii. Finance Cost	(46)	(38)
Net Cash from Financing Activities (C)	(1,32,37)	(2,27)
Net increase/decrease in Cash & Cash Equivalents (A+B+C)	(7)	(92)
Cash & Cash Equivalents as on 1st April 2020	20	1,11
Cash & Cash Equivalents as on 31 March 2021	12	20
Reconciliation of Cash and Bank balances with Balance Sheet		
Cash and Bank balances as per Balance Sheet	12	20
Less Bank balances not considered as Cash and Cash equivalents	-	-
Cash & Cash equivalents as on 31st March 2021	12	20

For and on behalf of Board of Directors

For AARYAA & ASSOCIATES

Chartered Accountants
Firm Registration No 015935N

DIVNAIN SINGH CHOWDHARY
Chief Financial Officer

KRISHAN KUMAR GOYAL
Chairman & Managing Director
(DIN: 00482035)

CA HARSHARANJIT SINGH CHAHAL

Partner
M.No 091689
Place: Chandigarh
Dated: 07th December, 2021

HIMANSHU KALRA
Company Secretary

SATISH KAPOOR

Director
(DIN: 00009122)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**NOTE: I CORPORATE INFORMATION**

Modern Steels Limited (the Company) is a public listed company incorporated under the provisions of the Companies Act 1956 on 19th November 1973. The Company is engaged in manufacturing of Steel Rolled products.

NOTE : II SIGNIFICANT ACCOUNTING POLICIES**2.1) Basis of preparation of Financial Statements****i) Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) under historical cost convention on the accrual basis, the provisions of the Companies Act 2013 (the Act) (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS prescribed under Section 133 of the Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment rules issued thereafter.

ii) Basis of Preparation

Effective from 1 April 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind-AS 101, "First Time Adoption of Indian Accounting Standards, with 1 April 2016 as the transition date. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

iii) Classification of Assets and liabilities as Current and Non-Current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

2.2) Use of Estimates

The preparation of financial statements, in conformity with Ind-AS require estimates and assumptions to be made by management, that may affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Changes in the estimates are reflected in the financial statements in the period changes are made, and if material their effects are disclosed in the notes to the financial statements.

2.3) Property, Plant and Equipment and Depreciation

Under the Indian GAAP, Property, plant and equipment were carried in the balance sheet on historical cost. The company has elected to regard those values as deemed cost under Ind-AS as on transition date i.e. 1st April 2016.

All tangible fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met. When a major inspection/repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

As per the provision of IND AS-16, major spare parts, stand-by equipment and servicing equipment qualify as property, plant and equipment when an entity expects to use them during more than one period and the company has elected to do the same.

Depreciation on tangible fixed assets has been provided on straight-line method according to the Schedule II of the Companies Act 2013.

Assets held for Disposal

Assets held for disposal are valued at lower of cost or Net realizable value in accordance with IND AS-105.

2.4) Intangibles and Amortization

Intangible assets are recognized if it is probable that the future economic benefits attributable to that assets will flow to the enterprise. Intangibles assets are amortized on straight line basis over their useful lives, which range from 1-5 years, determined on the basis of expected future economic benefits. The amortization period and method would be reviewed at the end of each financial year.



2.5) Inventories

- The cost in respect of various items of inventory is computed as under:
 - i) In case of raw-material on FIFO Basis (net of GST, MODVAT, Service Tax & VAT).
 - ii) In case of work in progress - rolling mill raw material are valued at monthly average cost basis. Cost for this purpose includes direct cost and all appropriate allocable overheads.
 - iii) In case of Finished Goods at cost plus all appropriate allocable overheads and Excise Duty/GST thereon. Cost for this purpose includes direct cost on monthly average cost basis, all appropriate allocable overheads and Excise Duty/GST thereon.
- Fresh Stock of Stores, spares & Fuel are valued at cost or net realizable value, whichever is lower and cost is computed on FIFO Basis (net of MODVAT/GST, Service tax, VAT). Stocks in working condition are valued at depreciated value or realizable value whichever is less. Disposable and used Stocks is valued at net realizable value.

2.6) Foreign Exchange Transaction

The transactions in Foreign exchange are accounted for at the exchange rates prevailing on the date of the transactions. The current assets and current liabilities are converted at the exchange rate prevailing at the last working day of the accounting year. The resultant gains/losses are recognized in the profit & loss account relating to current assets & current liabilities. Exchange differences on foreign currency transactions relating to fixed assets acquired from a country outside India have been adjusted to revenue.

Forward Exchange contracts not intended for trading or speculation purpose

In case of forward exchange contract, the premium or discount arising at the inception of such contract is amortized as income or expense over the life of contract as well as exchange difference on such contract i.e. Difference between the exchange rate at the reporting/ settlement date and the exchange rate on the date of inception/ the last reporting date, is recognized as income/ expense for the year.

2.7) Investments

(a) Classification

The company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit & loss) and
- Those measured at amortized cost

The classification depends upon the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses arising from fair valuation will either be recorded in profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made any irrevocable election at the time of initial recognition to account for the equity investment for fair value through other comprehensive income.

(b) Measurement

The company measures a financial asset at its fair value and in the case of financial assets not at fair value through profit and loss, at fair value including transaction cost that is directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit and loss are expensed in profit or loss.

2.8) Employees Benefits

(a) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the financial reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post Employment obligations

The company operates the following post-employment schemes

Defined benefit plan such as gratuity, provident fund

(c) Defined benefit obligations

The defined benefit obligations (other than provident fund) are calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The liability or asset recognized in the balance sheet in respect defined benefit obligations (except provident fund) is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets, if any.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost

(d) Provident Fund

Retirement benefits in the form of provident fund and family pension fund whether in pursuance of law or otherwise is accounted on accrual basis and charged to statement of profit and loss of the year.

2.9) Borrowing Costs

To capitalize the borrowing costs that is directly attributable to the acquisition or Construction of that Capital asset. Other borrowing Costs are recognized as an expense in the year in which they are incurred.

2.10) Settlement of debts due to Edelweiss Asset Reconstruction Company & PNB

The total outstanding debts of Edelweiss Asset Reconstruction Company (against debts of SBI and Canara Bank assigned in previous year) stood at Rs.1,35,70,06,116 as on 31.03.2020. The same has been settled for Rs 75,00,00,000 and the balance amount of Rs. 60,70,06,116 has been written off through Profit & Loss Account.

Details of the same is as under:

Nature of facility	Amount Due	Pro-rata settlement	Balance written off through P&L
Term loan	25,23,10,882	13,94,49,012	11,28,61,870
WCTL	25,41,69,358	14,04,76,168	11,36,93,191
FITL	5,32,81,613	2,94,48,070	2,38,33,544
CC	79,72,44,263	44,06,26,752	35,66,17,511
Total	1,35,70,06,116	75,00,00,000	60,70,06,116

Further interest due in the books amounting to ₹ 55,12,881 (not included above) on these facilities has also been written off through P&L Account.

2.11) Transfer of Assets

Company has two divisions i.e. Steel division and Auto Component division having Corporate Office in Chandigarh. The company has sold its substantial undertaking to Arjas Steels Private Limited as declared and approved in the 46th Annual General Meeting of Modern Steels Limited held on 4th December, 2020. As per the Business Transfer Agreement (BTA) with Arjas Steels Pvt Ltd, company has to transfer its assets subject to prior approval of PNB and Edelweiss Asset Reconstruction Company. However, as on the reporting date 31.03.2021, Edelweiss's approval has been received and their debts have been settled as mentioned in point 2.10 above but approval w.r.t. same from PNB is yet to be received. Due to lien marked on the assets of company by Lenders, transfer of assets to Arjas Steels Pvt Ltd has not taken place till 31.03.2021.

Since, Assets are still in the ownership of the company, Company is operating its business on Job work basis for Arjas Steel Private Limited and Modern Automotive Ltd from 1st Nov,2020 onwards with an agreement that the profit/loss of the respective divisions shall be shared/borne by the company getting their job work done. The same has been declared in Note 2.13.

2.12) One Time Settlement (OTS) with PNB:

The Accounts of company with PNB had become non-performing assets (NPA). Earlier, Punjab National Bank had approved One Time Settlement for its credit facilities. The company failed to comply the term of the same & the One Time Settlement was failed. The company has again proposed to PNB for One Time Settlement (OTS). The same is still under consideration.

Hence, interest amounting to Rs.117 lacs for the quarter ended 31.03.2021 and Rs. 592 lacs for the year ended on 31st March 2021 were not provided due to which the financial results are affected to the same extent.

2.13) Share of Profit/Losses:

As per the mutual understanding with Arjas Steels Private limited, operational losses of steel division from 01.11.2020 to 31.03.2021 amounting to Rs 4.87Cr has to be borne by Arjas Steel Pvt Ltd. The same has been provided as conversion charges recoverable from Arjas Steels Pvt Ltd for the job work done for them during the said period. The balance of Arjas Steels Private Limited are subject to their confirmation.



Further, similarly on the basis of mutual understanding with the Modern Automotive Limited, as informed to us, an operational loss of automotive division from 01.11.2020 to 31.03.2021 has to be borne by Modern Automotive Limited. Accordingly, loss of Auto Component Division from 01.11.2020 to 31.03.2021 is Rs 2.13Cr. The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd. Out of these, an amount of Rs1.68Cr has been booked as such through additional invoice and the balance of Rs.0.45cr has been provided as recoverable from Modern Automotive Ltd. The balance of Modern Automotive Limited are also subject to their confirmation.

However, any expenses incurred at the corporate office situated at Chandigarh is to be borne by the modern steels ltd itself.

2.14) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise duty. Revenue is recognized net of returns, trade allowances, rebates, and value added taxes and net of amount collected on behalf of the third parties.

Revenue from Goods

Revenue from goods comprise of value of sales of products (net of returns) excluding VAT and cash and trade discounts. Sales are recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control and the recovery of the consideration is probable.

Revenue from Services

Revenue from services are recognized in proportion to the stage of completion of transaction at the end of reporting period, and cost incurred in the transaction including same to complete the transaction and revenue (representing economic benefit associated with the transaction) can be measured reliably.

Interest

Interest income is recognized on a time proportion basis (accrual basis) taking into account the amount outstanding and the rate applicable.

Provision for Doubtful Debts

During the quarter, the company has made a provision for doubtful debts for Rs. 4.55 Lacs in respect to debts for the sales made during the past. The board of directors of the company are of the opinion that these amounts are expected not to be recovered and are of the opinion that the said provision be made.

2.15) Taxes on Income

Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act 1961. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of deferred tax asset to the extent that is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such right-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.16) Impairment of Assets

As at 31st March 2021 the company has reviewed the future earning of its cash generating unit in accordance with Ind AS 109. As per the Company's said review the carrying amount of the assets does not exceed the future recoverable amount consequently, no adjustment is considered necessary by the management.

2.17) Provisions for Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liabilities are disclosed by way of notes.

2.18) Earning Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into the account the aggregate of the weighted average number of equity shares outstanding during the period and weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.19) Cash Flow Statement

The cash flow statement has been in accordance with the Ind AS-7 on "Cash Flow Statements" issued by the Companies (Accounting Standard) Rules, 2013.

2.20) Accounting policies not specifically referred to above are consistent with Ind Accounting Standards.

NOTE: III

Property, Plant and Equipment

₹ in Lakhs

Particulars	Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Gross carrying value As at 31 March 2019	25	15,08	1,12,12	1,66	1,20	1,84	1,32,15	28
Additions during the year	-	1	21	4	1	-	27	8
Sales/Adjustments during the year	-	-	-	-	-	22	22	-
As at 31 March 2020	25	15,10	1,12,32	1,70	1,21	1,62	1,32,20	36
Additions during the period	-	-	34	0	-	-	34	31
Deletions during the period	-	-	-	-	-	102	102	-
As at 31st March 2021	25	15,10	1,12,66	1,70	1,21	60	1,31,52	67
Accumulated depreciation as at 31 March 2019	-	6,15	62,83	1,42	1,12	1,62	73,14	-
Depreciation for the year	-	40	4,26	10	1	5	4,82	-
Sales/Adjustments during the year	-	-	-	-	-	21	21	-
Accumulated depreciation as at 31 March 2020	-	6,55	67,09	1,52	1,13	1,46	77,75	-
Depreciation for the year	-	40	4,27	10	1	5	4,83	-
Sales/Adjustments during the year	-	-	-	-	-	97	97	-
Accumulated depreciation as at 31 st March 2021	-	6,95	71,36	1,62	1,13	54	81,60	-
Carrying value as at 31 March 2019	25	8,93	49,28	24	8	22	59,01	28
Carrying value as at 31 March 2020	25	8,54	45,23	18	9	16	54,45	36
Carrying value as at 31st March 2021	25	8,14	41,31	8	8	6	49,91	67

Note III-a**Intangible Assets**

Particulars	Computer Software
Gross carrying value As at 31 March 2019	1,36
Additions during the year	3
Sales/Adjustments during the year	-
As at 31 March 2020	1,40
Additions during the year	-
Sales/Adjustments during the year	-
As at 31 March 2020	1,40
Accumulated depreciation As at 31 March 19	1,23
Depreciation for the year	4
Sales/Adjustments during the year	-
As at 31 March 20	1,28
Depreciation for the year	4
Sales/Adjustments during the year	-
As at 31st March 2021	1,32
Net carrying value	
As at 31 March 2019	13
As at 31 March 2020	12
As at 31st March 2021	8

**NOTE: IV
INVESTMENTS**

Particulars	As at 31 st March, 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
OTHER INVESTMENT (at cost, unquoted)		
28125 (28125) No. of Equity Shares of ₹10 each fully paid up in Nimbua Green Field (Punjab) Ltd.	3	3
	<u>3</u>	<u>3</u>

**NOTE: V
OTHER NON CURRENT ASSETS**

Particulars	As at 31 st March, 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
(Unsecured, Considered Good)		
Security Deposits	5,27	5,29
Other Loans & Advances		
Amount paid (under protest) on account of ESI	3	3
	<u>5,30</u>	<u>5,32</u>

**NOTE: VI
INVENTORIES**

Particulars	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
Inventories		
a) Raw Materials	3,76	4,54
b) Raw Materials in transit	-	1,22
c) Work in Process	-	3,02
d) Finished Goods	1,86	2,62
e) Stores, Spares & Fuel (includes disposable stores)	10,90	8,39
	<u>16,52</u>	<u>19,78</u>

Method of Valuation:

- The cost in respect of various items of inventory is compared as under:
 - In case of Raw-material on FIFO Basis (net of MODVAT/GST, Service Tax & VAT).
 - In Case Of Work in Progress-Rolling Raw Material are Valued at Monthly average cost basis. Cost for this purpose includes direct cost and all appropriate allocable overheads.
 - In Case of Finished Goods at Cost plus all appropriate allocable overheads. Cost for this purpose includes direct cost on monthly average cost basis, all appropriate allocable overheads.
- Fresh Stocks of Stores, spares & Fuel are valued at cost or net realizable value, whichever is lower and cost is computed on FIFO Basis (net of MODVAT, Service tax, VAT and GST). Stocks in working condition are valued at depreciated value or realizable value whichever is less. Disposable and Used Stocks is valued at net realizable value.

NOTE: VII
TRADE RECEIVABLES

Particulars	As at 31st March, 2021 ₹ in Lakhs	As at 31st March 2020 ₹ in Lakhs
Unsecured, Considered good	14,14	25,17
Unsecured, Considered doubtful	27,84	27,79
Total	41,98	52,96
Less Provision for Doubtful Debts	(27,84)	(27,79)
	<u>14,14</u>	<u>25,17</u>

NOTE: VIII
CASH AND BANK BALANCES

Particulars	As at 31st March, 2021 ₹ in Lakhs	As at 31st March 2020 ₹ in Lakhs
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	10	19
Cheque in hand	-	-
Cash in hand	2	1
Total	<u>12</u>	<u>20</u>

NOTE: IX
OTHER BANK BALANCES

Particulars	As at 31st March, 2021 ₹ in Lakhs	As at 31st March 2020 ₹ in Lakhs
In Fixed Deposits Accounts Inclusive of interest accrued thereon	-	-
Total	<u>-</u>	<u>-</u>

**NOTE: X
SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31st March 2021 ₹ in Lakhs	As at 31st March 2020 ₹ in Lakhs
Unsecured, Considered Good		
OTHERS		
Advance Tax and TDS	55	11
Old Income Tax	54	70
Balance with Statutory Authorities	1,35	1,24
Advances to Employees	3	4
Prepaid Expenses	22	16
Other Recoverables	64	1
	<u>3,33</u>	<u>2,26</u>

**NOTE: XI
OTHER CURRENT ASSETS**

Particulars	As at 31st March 2021 ₹ in Lakhs	As at 31st March 2020 ₹ in Lakhs
Unsecured, Considered Good		
Advances to Suppliers	2,75	75
Advance against interest	-	4,00
Amount receivable from PSPCL	21	32
Amount receivable from Banks and Others	-	-
Advance Against Settlement PNB	2,00	-
	<u>4,96</u>	<u>5,08</u>

NOTE: XII
SHARE CAPITAL

Particulars	As at 31 st March, 2021		As at 31 st March 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of ₹10/- each	2,49,00,000	24,90	2,49,00,000	24,90
9.5% Redeemable Cumulative Preference Shares of ₹100/- each	10,000	10	10,000	10
		25,00		25,00
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 10/- each	1,37,62,359	13,76	1,37,62,359	13,76
	A	13,76		13,76
Forfeited Shares (Amount paid up)		0		0
Forfeited Warrants (Amount paid up)		64		64
	B	64		64
	(A+B)	14,40		14,40

a) Reconciliation of number and amount of equity shares

	As at 31 st March, 2021		As at 31 st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number and amount of equity shares at the beginning	1,37,62,359	13,76	1,37,62,359	13,76
Add: Number and amount of equity shares Issued during the period	-	-	-	-
Number and amount of equity shares at the end	1,37,62,359	13,76	1,37,62,359	13,76

b) Rights, Preferences, restrictions attached to equity shareholders:-

“The company has two classes of shares referred to as Equity Shares having par value of Rs.10/- each and 9.5% Redeemable cumulative Preference Shares of Rs.100/- each.

The Company has issued equity shares only. Hence rights / preferences applicable for Redeemable cumulative Preference capital are not disclosed separately.

Each Equity Shareholder is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. In respect to Equity Shares, the dividend if any, proposed by the Board Of Directors will be subject to approval of shareholders in Annual General Meeting.

In the event of liquidation of company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c) Share held by holding Company or its ultimate holding company or subsidiary or associates of the holding company or the ultimate holding in aggregate Nil (Nil).

d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without being received in cash Nil(Nil), bonus shares and shares back for the period of five years immediately preceding the reporting date Nil (Nil).



MODERN STEELS LIMITED

e) Shareholders holding more than 5% shares as at balance sheet date

Name of Equity Share Holders	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	%	No. of Shares	%
1 Mr. Krishan Kumar Goyal	24,96,179	18.14	24,96,179	18.14
2 Mrs. Alka Goyal	14,88,840	10.82	14,88,840	10.82
3 Mr. Amarjit Goyal	11,89,250	8.64	11,89,250	8.64
4 M/s Nabha Finance Pvt. Ltd.	8,37,750	6.09	8,37,750	6.09
5 Mr. Aditya Goyal	7,95,590	5.78	7,95,590	5.78
	<u>68,07,609</u>	<u>49.47</u>	<u>68,07,609</u>	<u>49.47</u>

f). Forfeiture of share warrants

In the F.Y. 2011-12, the amount paid up on 771641 warrants @ Rs.8.25/- (per warrant) of Rs.63.66 lacs stands forfeited.

NOTE: XIII OTHER EQUITY

Particulars	As at 31 st March, 2021 ₹ in Lakhs		As at 31 st March, 2020 ₹ in Lakhs	
	Securities Premium Account		13,42	
Capital Reserve Account		-		
General Reserve		24,97		24,97
(Balance at the beginning and at the end of the year)				
Surplus/(Deficit) in the Statement of Profit and Loss				
- Balance at the beginning of year	(1,70,40)		(1,21,04)	
Prior period items	47		3	
Add/Less: Transferred from Statement of Profit & Loss	38,63		(49,39)	
- Balance at the end of the year		(1,31,30)		(1,70,40)
		(92,91)		(1,32,01)

NOTE: XIV LONG TERM PROVISIONS

Particulars	As at 31 st March, 2021 ₹ in Lakhs		As at 31 st March, 2020 ₹ in Lakhs	
	Provision for employee benefits			
Gratuity		2,17		2,32
		<u>2,17</u>		<u>2,32</u>

The company has adopted Indian Accounting Standard AS 19 on employment benefit on 1st April 2017, the liability in respect of the same of benefit have been reworked as on 31.03.2021, based on the following assumptions.

(Actuarial valuation has been done by Sh A.D.Gupta vide Actuarial Valuation Certificate dated 15 April 2021.

	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
a) Actuarial Assumptions		
Discount Rate (per annum)	6.80%	6.80%
Rate of increase in compensation levels	3.50%	3.50%
Rate of return on plan assets	-	-
Expected average remaining working {Lives of employees (year)}	19.57	21.42
b) Table showing changes in present value of obligations:		
Present Value of Obligation as at the beginning of the year	3,07	2,95
Acquisition adjustment	-	-
Interest Cost	21	23
Past Service Cost-vested	-	-
Current Service Cost	32	33
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits Paid	(52)	(43)
Actuarial (gain)/loss on obligations	13	(1)
Present Value of Obligation as at the end of the year	3,20	3,07
C) Actuarial Gain/Loss Recognized:		
Actuarial (gain)/loss for the year – Obligation	13	(1)
Actuarial (gain)/loss for the year – Plan Assets	-	-
Total (gain)/loss for the year	13	(1)
Actuarial (gain)/loss recognized in the year	13	(1)
Unrecognized actuarial (gains)/losses at the end of year	-	-
D) The amounts to be recognized in Balance Sheet and Statements of Profit & Loss:		
Present Value of Obligation as at the end of the year	3,20	3,07
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	3,20	3,07
Unrecognized Actuarial (gains)/losses	-	-
Net Asset/(Liability) recognized in Balance Sheet	3,20	3,07
E) Expenses recognized in the statement of Profit & Loss:		
Current Service Cost	35	37
Past Service Cost-vested	-	-
Interest Cost	22	21
Expected Return on Plan Assets	-	-
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Net actuarial (gain)/Loss recognized in the year	-	-
Expenses Recognized in the statement of Profit & Loss	57	58
F) Bifurcation of PBO at the end of year		
Current Liability (Amount due within one year)	1,03	75
Non-Current Liability (Amount due over one year)	2,17	2,32
Total PBO at the end of year	3,20	3,07

**NOTE: XV
NON-CURRENT LIABILITIES**

Particulars	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
Securities Received	2	2
TOTAL	2	2

**NOTE: XVI
TRADE PAYABLES**

Particulars	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
- Dues to Micro, Small & Medium Enterprises	1,66	1,66
- Dues to Others	29,03	28,42
TOTAL	30,69	30,08

**NOTE: XVII
OTHER FINANCIAL LIABILITIES**

Particulars	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
Dues to :		
<u>Secured loan</u>		
- Banks	41,91	1,82,16
<u>Unsecured loan</u>		
- Related parties	3,24	1,26
- Others	7,71	1,21
TOTAL	52,86	1,84,64

**NOTE: XVIII
OTHER CURRENT LIABILITIES**

Particulars	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
a Cheques issued but not presented	-	3,16
b Other Payables		
Advances from Customer	3,00	75
Expenses payables	11,71	5,22
Employee Related Payables	1,20	1,26
Statutory dues payables	1,09	2,09
Advance Against BTA	69,80	-
TOTAL	86,80	12,48

NOTE: XIX**SHORT TERM PROVISIONS**

Particulars	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
Provision for Employee benefits		
Gratuity	1,03	75
	<u>1,03</u>	<u>75</u>

NOTE: XX**REVENUE FROM OPERATIONS**

Particulars	Year ended 31 st March 2021 ₹ in Lakhs	Year ended 31 st March 2020 ₹ in Lakhs
Sale of Products	34,95	2,07,78
Other Operating Revenue	48,58	3,68
Revenue from Operations	<u>83,53</u>	<u>2,11,46</u>

NOTE: XXI**OTHER INCOME**

Particulars	Year ended 31 st March 2021 ₹ in Lakhs	Year ended 31 st March 2020 ₹ in Lakhs
a) Interest Income	24	36
b) Other Non-Operating Incomes	1,35	2
c) Provision for doubtful debtors written back	-	-
d) Bad debts recovered	2,12	-
TOTAL	<u>3,71</u>	<u>38</u>

NOTE: XXII**COST OF MATERIAL CONSUMED**

Particulars	Year ended 31 st March 2021 ₹ in Lakhs	Year ended 31 st March 2020 ₹ in Lakhs
(A) Consumption of Scrap	15,39	90,75
Goods in Trades	-	4,15
Consumption of Additives	5,50	16,00
	<u>20,89</u>	<u>1,10,90</u>

**NOTE: XXIII****CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

Particulars	Year ended 31st March 2021 ₹ in Lakhs	Year ended 31st March 2020 ₹ in Lakhs
Opening Stock	5,64	12,60
Finished Goods	-	6,67
Work-in-progress	5,64	19,28
Closing Stock		
Finished Goods	1,85	2,62
Work-in-progress	-	3,02
	1,85	5,64
	3,78	13,64

NOTE: XXIV**EMPLOYEE BENEFITS EXPENSES**

Particulars	Year ended 31st March 2021 ₹ in Lakhs	Year ended 31st March 2020 ₹ in Lakhs
Salary Wages and Bonus	16,61	18,94
Contributions to Provident and Other Fund	1,49	1,75
Gratuity	53	56
Staff & Workers Welfare	1,60	2,29
	20,23	23,54

NOTE: XXV**FINANCE COST**

Particulars	Year ended 31st March 2021 ₹ in Lakhs	Year ended 31st March 2020 ₹ in Lakhs
Interest Expense		
- Banks		
Term Loans	-	-
Bank & Others	29	21
- Others		
Unsecured Loans	17	18
Other Borrowing Cost	-	0
Total	46	39

NOTE: XXVI**OTHER EXPENSES**

Particulars	Year ended 31st March 2021 ₹ in Lakhs	Year ended 31st March 2020 ₹ in Lakhs
Consumption of Stores and Spares parts	13,72	21,11
Power and Fuel	30,65	41,21
Other Manufacturing Expenses	7,48	9,42
Conversion Charges	1,30	2,79
Rent	32	41
Repairs and Maintenance:		
- Building	2	7
- Machinery	26	40
- Others	1	3
Insurance	41	33
Rate & Taxes	7	5
Fees	9	13
Travelling and Conveyence	25	90
Forwarding Expenses	20	3,58
Bad Debt written off	-	5
Provision for Doubtful Debts	5	25,57
Miscellaneous Expenses	4,67	3,24
Total	59,51	1,09,29

NOTE: XXVII**OTHER COMPREHENSIVE INCOME**

Particulars	Year ended 31st March 2021 ₹ in Lakhs	Year ended 31st March 2020 ₹ in Lakhs
Remeasurement of the net defined benefit liability/asset	13	(1,38)



XXVIII) Contingent Liabilities & Commitments

Contingent Liabilities:

	As at 31 st March 2021 ₹ in Lakhs	As at 31 st March 2020 ₹ in Lakhs
a) Claim against the Company not acknowledged as debts	1,91	1,91
b) Other money for which Company is contingent liable	-	-

XXIX) The Company's all credit facilities have been declared "Non-Performing Assets" by its respective banks. There is a usual practice that banks discontinue to account for as "income" in respect to the accrued interest on such assets, subsequent to the declaration of these as "Non-performing assets". The bankers of the company too have not accounted as "income" in respect to the interest subsequent to NPA status. In order to achieve the desired congruency on this issue & uncertainty of the amount liable to be paid, the company has not provided for interest on all credit facilities subsequent to the date of declaration of these credit facilities as non-performing.

XXX) Earnings per share:

	31.03.2021	31.03.2020
Profit / (Loss) after taxation as per Statement of profit and Loss (₹ in lakhs)	38,63	(49,41)
Equity shares outstanding	1,37,62,359	1,37,62,359
Basic earnings per share in rupees (face value ₹ 10/- each)	28.07	(35.90)
Diluted earnings per share in rupees (face value ₹ 10/- each)	-	-

XXXI) Payment to Auditors *

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Audit Fees	8.37	9.44
Tax Audit fees	0.85	0.29

*inclusive of GST

XXXII) Statement of Turnover and Closing Stock

₹ in lakhs

	Turnover	Finished Goods		Work in Process	
		Closing Stock	Opening Stock	Closing Stock	Opening Stock
Concast Billets this year	-	-	-	-	-
Previous year	5,86	-	-	-	-
Rolled Product this year	24,69	15	1,01	-	-
Previous year	1,41,23	1,01	9,78	-	-
Induction Ingots this year	2,57	-	-	-	-
Previous year	7,09	-	-	-	-
Auto Components this year	7,58	-	1,61	-	-
Previous year	47,95	1,61	2,82	-	-
Others this year	2,81	-	-	-	-
Previous year	5,65	-	-	-	-
Current year	37,65	15	2,62	-	-
Previous year	2,07,78	2,62	12,60	-	-

	-	-	-	-	-
Rolling Mills Material	-	-	-	-	-
Billet – Current Year	-	-	-	25	1,44
Billet – Previous Year	-	-	-	1,44	2,95
Ingot – Current Year	-	-	-	3	-
Ingot – Previous Year	-	-	-	-	3,35
Round – Current Year	-	-	-	-	15
Round – Previous Year	-	-	-	15	37
ACD – Current Year	-	-	-	1,42	1,43
ACD – Previous Year	-	-	-	1,43	-
Total – Current Year	-	-	-	1,85	3,02
Total – Previous Year	-	-	-	3,02	6,67

XXXIII) The Information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per schedule III of Companies Act, 2013

a) Value of Imports (CIF Basis)

	As at 31 st March, 2021 ₹ in lakhs	As at 31 st March, 2020 ₹ in lakhs
1) Raw Material	1,06	19,50
2) Stores & Spares	68	1,99

b) Value of Raw Material Consumed

	Year Ended 31 st March, 2021 ₹ in lakhs		Year Ended 31 st March 2020 ₹ in lakhs	
	%age	Value	%age	Value
Cost of Materials Consumed				
Imported	10.68	2,20	17.52	19,44
Indigenous	89.31	18,39	82.47	91,46
		<u>20,59</u>		<u>1,10,90</u>
Store & Spares				
Imported	03.54	68	10.99	2,32
Indigenous	96.46	18,51	89.00	18,79
		<u>19,19</u>		<u>21,11</u>

**XXXIV) Sales Incentive and Excise duty***Sales Incentive*

The Company provides to its customer cash discount to get prompt payment and rebate for commercial settlements. Under previous GAAP, these discounts and rebates were shown as expenses under the head "other expenses". Under Ind AS, revenue from sales of goods shall be measured at the fair value of the consideration received or receivable. Therefore, these discounts and rebates have been netted off from revenue from sales of goods. This has resulted in an decrease in the revenue from operations and expenses for the year ended 31 March 2021. The total comprehensive income for the year ended and equity as at 31 March 2021 has remained unchanged.

XXXV) SEGMENT REPORTING

The Company is engaged only in the business of Steel Manufacturing which is the reportable segment in accordance with the requirements of Indian Accounting Standards (IndAS) – 108 on operating segments as prescribed under the Companies (Indian Accounting Standards) rules 2015 as prescribed under section 133 of The Companies Act 2013.

XXXVI) GOING CONCERN

The Company has incurred losses during the quarter and year ended 31 March 2021 and the year-end current liabilities exceeded current assets as on 31 March 2021 which has adversely impacted the net worth of the Company. The Company's financial performance has been adversely affected due to high cost of scarp and other variables like ferros, power cost, fuel etc.

Keeping in view the favorable market conditions and good order position the Company has prepared the financial results on the basis of going concern assumptions. The statutory Auditors have also drawn attention to the above matter without qualifying their observation in their audit report.

XXXVII) In the opinion of the Board of Directors, Current Assets, Loan and Advances have value on realization in the ordinary course of business at least equal to the amounts at which they are stated and provision for all known liabilities have been made in accounts.

XXXVIII) As per the Ind AS – 24 issued by the Institute of Chartered Accountants of India "Related Party Disclosure ". In view of this the company has given the following disclosures for the year.

The company has identified the related parties having transactions during the year, as per detail given below. No provision for doubtful debts is required to be made & no amount was written off during the year.

A) Related Party and their relationship

Key Management Personnel	Enterprises over which KMP and relatives of such personnel are able to exercise significant influence
Mr Krishan Kumar Goyal	M/s Chandigarh Finance Pvt. Ltd., M/s. Modern Dairies Ltd.,
Mr. R.K.Sinha	M/s Nabha Commerce Pvt. Ltd., Mala Builders Pvt. Ltd.
Mr Ashish Sharma	
Mr. Divnain Singh Choudhary	
Mr. Sanjeev Verma	

B) Transactions with the related parties

(₹ in Lakhs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel & their enterprises
Remuneration Including Perks	47 (62)	62 (79)
Interest On Unsecured Loan	8 (-)	- (-)
Loan Taken	190 (-)	- (100)
Loan Repaid*	-	- (93)
Loan Given	- (-)	- (-)
Loan Received back	- (-)	- (-)
Interest Income	- (-)	- (-)
Share of Expenses Received	- (-)	44 (4)
Share of Expenses paid	- (-)	6 (39)
Purchase of Raw Material & Stores	- (-)	- (-)
Job work paid	- (-)	- (-)
Job work received	- (-)	- (-)
Sales Of Finished Products/Assets	(-)	6 (9.54)
Other Transactions (Rebate on account of quality problem)	- (-)	28 (-)

XXXIX) Figures for the previous year have been regrouped, rearranged and reclassified wherever considered necessary.

For and on behalf of the Board of Directors

For Aaryaa & Associates

Chartered Accountants
Firm Registration No. 015935N

Divnain Singh Chowdhary

Chief Financial Officer

Krishan Kumar Goyal

Chairman & Managing Director.
(DIN:00482035)

CA Harsharanjit Singh Chahal

Partner
M. No. 091689

HIMANSHU KALRA
Company Secretary

SATISH KAPOOR
Director
(DIN: 00009122)

Place: Chandigarh
Dated: 07th December, 2021

