



# 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: 23<sup>rd</sup> March, 2022**

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

**SCRIP CODE: 513303**

**SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS**

Dear Sir,

We wish to inform you that the Company in its re- scheduled Board meeting held today, i.e. **Wednesday, 23<sup>rd</sup> March, 2022** at Chandigarh approved Un-Audited Financial Results for the quarter ended 31<sup>st</sup> December, 2021 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are enclosing herewith the approved Un-Audited Financial Results along with copy of Limited Review Report.

This is to further inform that all the Lenders of Company have been settled and paid off by the Company and accordingly, the charges have been vacated from the Ministry of Corporate Affairs.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that Mr. Divnain Singh Chowdhary, Chief Financial Officer (CFO) of the Company has resigned from the Company by communication dated 29<sup>th</sup> January 2022 and the same has been taken on record by the Board of Directors in the meeting held today i.e. 23.03.22.





# 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

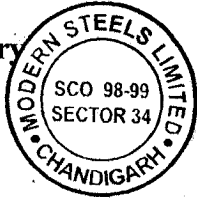
Please note that the Board of Directors meeting commenced at 12:00 Noon. and concluded at 02:40 P.M. on 23<sup>rd</sup> March, 2022. This is for your information and doing the needful.

Thanking you

Yours truly,  
For **Modern Steels Limited**

  
Company Secretary

Encl as above:



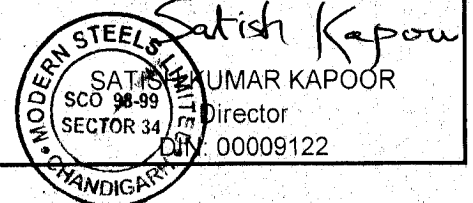
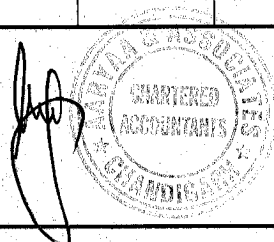
UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST DECEMBER 2021

Rs. In lakhs

Particulars	Quarter ended			Nine Months Ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Part I: Statement of Financial Results</b>						
I Revenue from Operations	2,732	3,402	2,333	9,277	4,628	8,353
II Other Income	40	6	148	52	190	371
<b>III Total Income (I+II)</b>	<b>2,772</b>	<b>3,408</b>	<b>2,481</b>	<b>9,329</b>	<b>4,818</b>	<b>8,724</b>
<b>IV Expenses</b>						
a) Cost of material consumed	518	244	685	1,006	1,817	2,089
b) Changes in inventory of finished goods and work in progress	(517)	(19)	276	(514)	408	378
c) Employees benefits expense	472	494	516	1,489	1,468	2,023
d) Finance Costs	-	8	14	16	39	46
e) Depreciation	116	121	140	359	382	487
f) Power and fuel	1,157	1,431	903	3,930	1,646	3,065
g) Other expenditure	1,132	1,267	1,002	3,432	1,627	2,886
<b>IV Total Expenses</b>	<b>2,877</b>	<b>3,546</b>	<b>3,536</b>	<b>9,718</b>	<b>7,387</b>	<b>10,974</b>
V. Profit/(Loss) before Exceptional Items (III-IV)	(105)	(138)	(1,055)	(389)	(2,569)	(2,250)
VI. Exceptional items (Reversal of interest provision)	137	-	-	137	-	6,112
VII. Profit / (Loss) from Ordinary Activities before tax (V-VI)	32	(138)	(1,055)	(252)	(2,569)	3,862
VIII. Tax expense:	-	-	-	-	-	-
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)	32	(138)	(1,055)	(252)	(2,569)	3,862
X. Profit/Loss from discontinued operations	-	-	-	-	-	-
XI. Tax expenses of discontinued operations	-	-	-	-	-	-
XII. Profit / loss from discontinued operations (X-XI)	-	-	-	-	-	-
XIII. Net Profit/Loss for the period (XI-XII)	32	(138)	(1,055)	(252)	(2,569)	3,862
<b>XIV Other Comprehensive Income</b>						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-	-
B (i) Items that will be reclassified to profit and loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-	-
XV Total Comprehensive Income for the period comprising profit/(loss) and other	32	(138)	(1,055)	(252)	(2,569)	3,862
XVI. Paid-up equity share capital	1,440	1,440	1,440	1,440	1,440	1,440
XVII. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	(9,292)
<b>XVIII EPS after Extraordinary items for the</b>						
i) Basic EPS	0.23	(1.01)	(7.65)	(1.83)	(18.67)	28.07
ii) Diluted EPS	0.23	(1.01)	(7.65)	(1.83)	(18.67)	28.07

For and on behalf of the Board of Directors

Place: Chandigarh  
Date: 23.03.2022

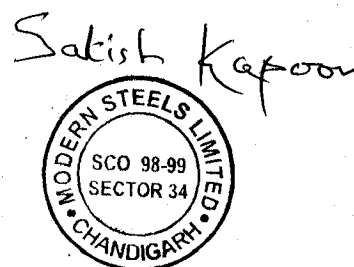
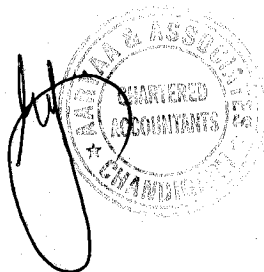


## Notes to the Financial Results:

1. 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.
2. The company had proposed to PNB for One Time Settlement (OTS) which has been settled for Rs. 41.05 Cr in the month of December and the balance liability amounting to Rs. 0.86 Cr has been written off through Profit and Loss Account.
3. The company has transferred its business and its asset under slump sale which has effected in discontinuing the operations of the company. The financial statement are prepared on the basis of going concern assumptions and consequently assets and liabilities are being carried at their book value.
4. The Closing stock for the quarter ended 31st December,2021 includes an amount of Rs. 5.98 Cr which is the realisable value of conversion done, by Modern Steels Ltd, on the stock as at the end of the quarter (stock owned by Arjas Steels Private Ltd). Modern Steels Ltd is holding such stock on conversion basis. However, the conversion charges recoverable on such stock has been booked as and included in value of closing stock on the plea that overheads for effecting such conversion has already been incurred. It has increased the quarter profits and stock to such extent.
5. As per the mutual understanding with Arjas Steels Private limited, operational losses of steel division amounting to Rs. 5.19 Cr has to be borne by Arjas Steel Pvt ltd. The same has been provided as conversion charges recoverable from Arjas Steel Pvt ltd for the job work done for them during the said period.

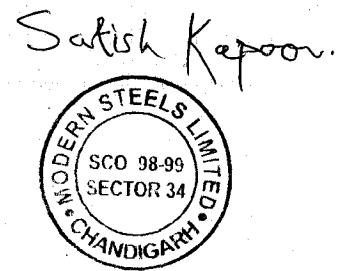
Further, similarly on the basis of mutual understanding with the Modern Automotive Limited, operational losses of auto component division amounting to Rs. 0.49 Cr has to be borne by Modern Automotive Limited. The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd. However, any expenses incurred at the corporate office at Chandigarh is to be borne by the modern steels ltd itself.

6. The financial results of Modern Steels Limited ('MSL', or 'the Company') for the quarter ended 31<sup>st</sup> December,2021 have been reviewed by the Audit Committee subsequently approved at the meeting of Board of Directors held on 23<sup>rd</sup> March,



2022. The statutory auditors of the company have carried out a limited review of the above financial results.

7. The Statutory auditors of the company have carried out an audit of the financial results for the quarter ended 31<sup>st</sup> December, 2021 and have issued modified report. The audit report is available on the company's website at [www.modernsteels.com](http://www.modernsteels.com)
8. The figures of the previous period have been reclassified/rearrange/regrouped wherever necessary to conform to current period's figures.





www.aaryaa.net

## AARYAA & ASSOCIATES CHARTERED ACCOUNTANTS

Showroom No. 1 (FF), Near Gupta Hospital,  
Baddi - Nalagarh Highway, Baddi-173 205 (H.P.)

Tel. : +91-172 - 292 00 63

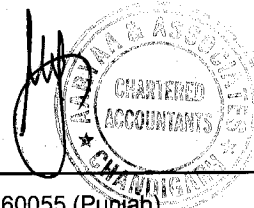
Mob. : +91-9814798644

E-mail : contactus@aaryaa.net  
cahchahal@aaryaa.net

### LIMITED REVIEW REPORT

To,  
The Board of Directors  
Modern Steels Limited

1. We have reviewed the accompanying statement of un-audited financial results of **Modern Steels Limited** for the quarter ended 31<sup>st</sup> December 2021 prepared as per the applicable Indian Accounting Standards (IndAS) being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This statement is the responsibility of the company's Management and has been approved by Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (IndAS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. We draw attention to the following matters:

**(a) Share of Profit/Losses:**

As per the mutual understanding operational losses of steel division amounting to Rs. 5.19 Cr has to be borne by Arjas Steel Pvt Ltd. The same has been provided as conversion charges recoverable from Arjas Steel 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, operational losses of auto component division amounting to Rs. 0.49 Cr has to be borne by Modern Automotive Limited. No evidence of this understanding and acceptance thereof by Modern Automotive Limited was produced before us.

The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd.

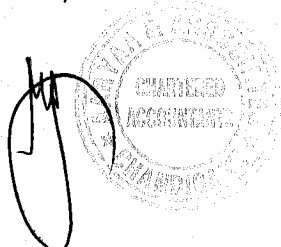
However, any expenses incurred at the corporate office situated at Chandigarh is to be borne by the modern steels ltd itself.

**(b) One Time Settlement (OTS) with PNB**

The company had proposed to PNB for One Time Settlement (OTS) which has been settled for Rs. 41.05 Cr in the month of December and the balance liability amounting to Rs. 0.86 Cr has been written off through Profit and Loss Account.

**(c) 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 nine months ended 31<sup>st</sup> December 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. Further, the company has transferred its business and its asset under slump sale which has effected in discontinuing the operations of the company. These conditions indicate the existence of circumstances to impact the company's ability to continue as a going concern.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "CHANDIGARH" at the top, "31/12/2021" in the center, and "ARJAS STEEL PRIVATE LIMITED" at the bottom.

**(d) Interest Provisioning on MSME Vendors:**

The management has reported that the MSME Creditors have agreed and confirmed their dues without provision of interest u/s 16 of Micro, Small and Medium Enterprises Development Act, (MSMED) 2006, hence would not claim the said interest.

In light of the above, provision of interest u/s 16 of Micro, Small and Medium Enterprises Development Act (MSMED), 2006 has not been made.

**(e) Closing Stock Valuation**

The Closing stock for the quarter ended 31<sup>st</sup> December, 2021 includes an amount of Rs. 5.98 Cr which is the realisable value of conversion done, by Modern Steels Ltd, on the stock as at the end of the quarter (stock owned by Arjas Steels Private Ltd). Modern Steels Ltd is holding such stock on conversion basis. However, the conversion charges recoverable on such stock has been booked as and included in value of closing stock on the plea that overheads for effecting such conversion has already been incurred. It has increased the quarter profits and stocks to such extent.

**FOR AARYAA & ASSOCIATES  
CHARTERED ACCOUNTANT**

  
**CA HARSHARANJIT SINGH CHahal**  
(Partner)

**M No. 091689**

**Place: Chandigarh**

**Dated: 23.03.2022**

**UDIN: 22091689AFKVIH5566**