



Modern Steels Limited

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

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Ref: MSL/SECT/BSE/

Date: 14th Feb., 2019

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

SUB: Submission of Financial Results for the quarter ended 31.12.2018

Dear Sirs,

We wish to inform you that the Company in its Board meeting held today, **Thursday, 14th February, 2019** at Chandigarh approved the following:

1. Un-Audited Financial Results for the quarter ended 31st December, 2018, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Limited Review Report on the Un-Audited Financial Results for the quarter ended 31st December, 2018, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please note that the Board of Directors meeting commenced at 12:00 Noon and concluded at 3:00 P.M. on 14th February, 2019.

This is for your information and records.

Thanking you

Yours truly,
For Modern Steels Limited

Heena Garg
Authorised Signatory

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2018

Rs. In lakhs

Particulars	Quarter ended			Nine months ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Part I: Statement of Financial Results						
I Revenue from Operations	7,460	10,438	9,650	26,883	30,405	39,565
II Other Income	10	24	37	54	129	166
III Total Income (I+II)	7,470	10,462	9,687	26,937	30,534	39,731
IV Expenses						
a) Cost of material consumed	3,938	5,639	4,852	14,552	15,634	20,171
b) Purchases of Stock - in - trade	400	523	776	1,484	1,607	2,087
c) Changes in inventory of finished goods and work in progress	(127)	(509)	192	(362)	(112)	430
d) Employees benefits expense	606	598	622	1,786	1,761	2,373
e) Finance Costs	73	22	39	99	135	179
f) Depreciation	125	131	134	392	410	541
g) Power and fuel	1,263	1,760	1,530	4,475	4,974	6,516
h) Excise Duty	-	-	-	-	1,146	1,146
i) Other expenditure	1,624	2,286	2,554	5,892	6,126	9,311
IV Total Expenses	7,902	10,450	10,699	28,318	31,681	42,754
V. Profit/(Loss) before Exceptional Items (III-IV)	(432)	12	(1,012)	(1,381)	(1,147)	(3,023)
VI. Exceptional items (Reversal of interest provision)	-	-	-	-	-	-
VII. Profit / (Loss) from Ordinary Activities before tax (V-VI)	(432)	12	(1,012)	(1,381)	(1,147)	(3,023)
VIII. Tax expense:	-	-	-	-	-	-
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)	(432)	12	(1,012)	(1,381)	(1,147)	(3,023)
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)	(432)	12	(1,012)	(1,381)	(1,147)	(3,023)
XIV Other Comprehensive Income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	225
(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 comprehensive Income for the period.	(432)	12	(1,012)	(1,381)	(1,147)	(3,248)
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	-	-	-	-	-	(5,736)
XVIII EPS after Extraordinary items for the period and for the previous year (not to be annualised)						
i) Basic EPS	(3.14)	0.08	(7.36)	(10.03)	(8.33)	(21.97)
ii) Diluted EPS	(3.14)	0.08	(7.36)	(10.03)	(8.33)	(21.97)

For and on behalf of the Board of Directors

Krishan Kumar Goyal
Managing Director

Date: 00482035

Place: Chandigarh
Date: 14th February, 2019

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's accounts with lenders have become non-performing assets (NPA) hence interest amounting to Rs.566 lakhs for the quarter and Rs.1805 lakhs for nine months ended on 31st December 2018 were not provided. The financial results are affected to the same extent.

Punjab National Bank has sanctioned One Time Settlement (OTS) with the company. The company has paid a part of the amount towards OTS. The company has submitted the request to PNB to change the repayment period of the balance amount, which is under consideration of the lender.

3. The company has paid managerial remuneration of Rs.18.22 lakhs for the Quarter ended 31st December 2018 and Rs.54.65 lakhs for the nine months ended 31st December 2018. As per revised guidelines, the company is yet to take the approval of AGM and Lenders.

The directors undertake that in case the approval from AGM / Lenders is not received, remuneration received by the directors shall be refunded. The financial results are affected to the same extent.

4. Post implementation of Goods and Services Tax(GST) applicable with effect from July 1, 2017, revenue from operations are required to be disclosed net of GST in accordance with the requirement of Ind-AS 18 and Schedule III of Companies Act 2013. Consequently, revenue from operations for the nine months is not comparable with the previous corresponding nine months which was reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

Particulars	Rs. In lakhs		
	Nine months		Year ended
	31.12.2018	31.12.2017	31.03.2018
Net Sales/Income from operations	26883	30405	39565
Less: Excise duty	--	1146	1146
Net sales excluding excise duty	26883	29259	38419



5. The company has been continuously making efforts to resolve the debts with its lenders. Keeping in view the favourable market conditions and good order position the company has prepared the financial results on the basis of going concern assumptions.
6. The financial results of Modern Steels Limited ('MSL', or 'the Company') were reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 14 February 2019. The Statutory Auditors of the Company have carried out a limited review of the above financial results.
7. The figures of the previous period have been reclassified /recasted/ regrouped wherever necessary to conform to current period's figures.

For and on behalf of the Board of Directors



A handwritten signature in black ink, appearing to read "Krishan Kumar Goyal".

Krishan Kumar Goyal
Managing Director
DIN: 00482035

Place: Chandigarh
Date: 14th February, 2019



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AARYAA & ASSOCIATES

CHARTERED ACCOUNTANTS

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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 31st December 2018 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 a Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th 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. We refer to the following Qualification:
 - *Director's remuneration is not admissible as prescribed in Section 197 of Companies Act, 2013 if there are no profits or profits are inadequate 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 and of shareholders in general meeting by special resolution 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. The company has given the following director remuneration:



S.no.	Name	Designation	Remuneration (for Quarter ended 31 st December, 2018)	Remuneration (Nine Months)
1.	Mr. Krishan Kumar Goyal	Managing Director	10,03,671	30,11,013
2	Mr. R.K Sinha	Director	8,17,875	24,53,625

***Above figures of director's remuneration are inclusive of perks.**

4. Based on our review conducted as above, except for the effects of qualification stated in para 3 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 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to the following matters:

Interest provisioning on facilities from Consortium banks :

The Company's various credit facilities have been declared "Non-Performing Assets"/recalled by its respective banks. There is a usual practice that banks to 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 i.e. interest on credit facilities, except PNB for being under OTS subsequent to the date of declaration of these credit facilities as non-performing. Such interest on credit facilities amounts to Rs. 566 lakhs and Rs. 1805 lakhs for quarter and



nine months ended 31st December 2018 which has resulted in the understatement of current liabilities and losses by same.

Our Opinion is not qualified in respect of matters specified in Para 5.

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANT**



HARSHARANJIT SINGH CHAHAL
(Partner)
M No. 091689

Place: Chandigarh

Dated: 14th February, 2019