



Modern Steels Limited

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

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

Ref: MSL/SECT/BSE/

Date: 13th August , 2019

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

SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS

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

Dear Sirs,

We wish to inform you that the Company in its Board meeting held today, **Tuesday, the 13th August, 2019** commenced at 04:00 p.m. and concluded at 04:40 p.m. at corporate office: Chandigarh, along with other agenda items inter alia the following were considered by the Board of Directors of the Company;

1. Approved the Un-Audited Financial Results for the quarter ended 30th June, 2019, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Approved the Notice of the 45th Annual General Meeting of the members of the Company and decided to convene the same on Monday, 30th September, 2019 at 11:00 a.m. at the Registered Office of the Company at G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab - 147 301.
3. Fixed the date of closure of Register of Members and Share Transfer books from 23rd September, 2019 to 30th September, 2019.
4. To appoint NSDL, an electronic securities depository for the e-voting process.
5. Approved the Director's Report, Corporate Governance Report and Report on Management Discussion and Analysis for the financial year 2018-19.

We are enclosing herewith the approved "Un-audited Financial Results" for the quarter ended 30th June, 2019 along with copy of Limited Review Report.

This is for your information to exchange and member thereof.

Kindly take the same on record and oblige.

Thanking you

Yours truly,
For Modern Steels Ltd.


Mansi Gupta
Authorised Signatory



MODERN STEELS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2019

Rs. In lakhs

Particulars	Quarter ended			Year Ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited
Part I: Statement of Financial Results				
I Revenue from Operations	7,476	5,779	8,837	32,156
II Other Income	10	130	20	184
III Total Income (I+II)	7,486	5,909	8,857	32,340
IV Expenses				
a) Cost of material consumed	4,010	3,185	5,537	19,221
b) Changes in inventory of finished goods and work in progress	210	701	274	339
c) Employees benefits expense	565	550	582	2,335
d) Finance Costs	60	79	3	177
e) Depreciation	127	125	136	517
f) Power and fuel	1,239	1,170	1,452	5,645
g) Other expenditure	1,251	1,242	1,835	6,627
IV Total Expenses	7,462	7,052	9,819	34,861
V. Profit/(Loss) before Exceptional Items (III-IV)	24	(1,143)	(962)	(2,521)
VI. Exceptional items (Reversal of interest provision)	-	-	-	-
VII. Profit / (Loss) from Ordinary Activities before tax (V-VI)	24	(1,143)	(962)	(2,521)
VIII. Tax expense:	-	-	-	-
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)	24	(1,143)	(962)	(2,521)
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)	24	(1,143)	(962)	(2,521)
XIV Other Comprehensive Income	-	-	-	-
A (i) Items that will not be reclassified to profit and loss	-	(5)	-	(5)
(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.	24	(1,148)	(962)	(2,526)
XVI. Paid-up equity share capital	1,440	1,440	1,440	1,440
XVII. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(8,265)
XVIII EPS after Extraordinary items for the period and for the previous				
i) Basic EPS	0.18	(8.30)	(6.99)	(18.32)
ii) Diluted EPS	0.18	(8.30)	(6.99)	(18.32)

For and on behalf of the Board of Directors

Place : Chandigarh
Date : 13th August, 2019



(Signature)

DILDAR SINGH GILL
DIRECTOR
DIN: 00211236

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 (Ind-AS) – 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.680 lakhs for the quarter ended on 30th June, 2019 was not provided. The financial results are affected to the same extent.
3. The company has paid managerial remuneration of Rs.18.55 lakhs for the quarter ended 30th June 2019. 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. 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.
5. 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 13 August 2019. The Statutory Auditors of the Company have carried out a limited review of the above financial results.
6. The figures of the previous period have been reclassified/rearranged/regrouped wherever necessary to conform to current period's figures.



A handwritten signature in purple ink, appearing to be "S. S. S. S.", written in a cursive style.



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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 30th June 2019 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:

As prescribed in Sec-197 and Schedule V of companies Act, 2013 if there are no profits or profits are inadequate and where the company has defaulted in payment of dues to any bank or public financial institution the prior approval of the bank or public financial institution concerned shall be obtained by the company before approving the same by special resolution at general meeting.



Neither the required resolution has been passed nor the prior approval has been obtained from the bankers, since having defaulted in paying their dues.

Therefore the Company is not eligible to pay director's remuneration due to non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the quarter, the company has given the director remuneration to Mr. Krishan Kumar Goyal (Managing Director) amounting to Rs. 9,76,404 and Mr. R.K. Sinha (Director) amounting to Rs. 8,78,838 without complying the provisions of Schedule V of the companies Act, 2013

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" 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 i.e. interest on credit facilities (including on assigned debts of SBI and Canara Bank) subsequent to the date of declaration of these credit facilities as non-performing. In respect to credit facilities from PNB, the company has provided the interest in the books of accounts only on the OTS amount. The interest to the extent of Rs.680.33 Lakhs has not been provided on various credit facilities for the current quarter which has resulted in the understatement of current liabilities and overstated the profit to that extent.



Assignment of debt of SBI and Canara Bank to ARC

Two lender banks of the company viz. State Bank of India (SBI) and Canara Bank have 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.

During the reporting period there has been no written agreement between the Company and Edelweiss Asset Reconstruction Company Limited to crystallise the amount payable and interest thereon to them.

One Time Settlement (OTS) with PNB

The company has proposed its OTS offer to Punjab National Bank (PNB). The bank has approved the same. The company has complied with all the terms and conditions except for repayment period. The company has, however, requested to the bank for extension of the period of repayment of OTS amount.

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

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANT**

CA KRISHAN JOSHI
(Partner)
M No. 094478



**Place: Chandigarh
Dated: 13 August 2019**