



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: 10th November, 2018**

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

SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS

Dear Sirs,

We wish to inform you that the Company in its Board meeting held today, **Saturday, 10th November, 2018** at Chandigarh took the following decisions:

1. Approved the Un-Audited Financial Results for the quarter and half year ended 30th September, 2018 along with statement of assets and liabilities, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Approved the Limited Review Report on the Un-Audited Financial result for the quarter and half year ended 30th September, 2018, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please note that the Board of Directors meeting commenced at 3:30 P.M. and concluded at 5:50 P.M. on 10th November, 2018. This is for your information and doing the needful.

Thanking you

Yours truly,
For Modern Steels Limited

HEENA GARG
AUTHORISED SIGNATORY

Encl: As above

MODERN STEELS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

Rs. In lakhs

Particulars	Quarter ended			Half year ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Part I: Statement of Financial Results						
I Revenue from Operations	10,438	8,985	10,396	19,423	20,754	39,565
II Other Income	24	20	42	44	92	166
III Total Income (I+II)	10,462	9,005	10,438	19,467	20,846	39,731
IV Expenses						
a) Cost of material consumed	5,639	4,976	5,692	10,615	10,782	20,171
b) Purchases of Stock - in - trade	523	561	464	1,084	831	2,087
c) Changes in inventory of finished goods and work in progress	(509)	274	(156)	(235)	(304)	430
d) Employees benefits expense	598	582	582	1,180	1,139	2,373
e) Finance Costs	22	3	55	25	96	179
f) Depreciation	131	136	141	267	276	541
g) Power and fuel	1,760	1,452	1,765	3,212	3,444	6,516
h) Excise Duty	-	-	-	-	1,146	1,146
i) Other expenditure	2,286	1,983	1,972	4,269	3,573	9,311
IV Total Expenses	10,450	9,967	10,515	20,417	20,983	42,754
V. Profit/(Loss) before Exceptional Items (III-IV)	12	(962)	(77)	(950)	(137)	(3,023)
VI. Exceptional items (Reversal of interest provision)	-	-	-	-	-	-
VII. Profit / (Loss) from Ordinary Activities before tax (V-VI)	12	(962)	(77)	(950)	(137)	(3,023)
VIII. Tax expense:	-	-	-	-	-	-
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)	12	(962)	(77)	(950)	(137)	(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)	12	(962)	(77)	(950)	(137)	(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.	12	(962)	(77)	(950)	(137)	(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	0.08	(6.99)	(0.56)	(6.90)	(1.00)	(21.97)
ii) Diluted EPS	0.08	(6.99)	(0.56)	(6.90)	(1.00)	(21.97)

For and on behalf of the Board of Directors



RAJESH KUMAR SINHA
 Director (Operations)
 DIN: 00556694

Place: Chandigarh

Date: 10th November, 2018

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.552 lakhs for the quarter and Rs.1243 lakhs for six months ended on 30 September 2018 were not provided. The financial results are affected to the same extent.
3. The company has paid managerial remuneration amounting to Rs.18.22 lakhs during this quarter and half yearly amount to Rs.36.44 lakhs to directors pending approval from competent authority. The Directors undertake that in case the approval not received from the competent authority, the remuneration received by the Directors shall be refunded. The financial results are affected to that 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 six month is not comparable with the previous corresponding six month which was reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

Particulars	Rs. In lakhs		
	Six months		Year ended
	30.09.2018	30.09.2017	31.03.2018
Net Sales/Income from operations	19423	20754	39565
Less: Excise duty	--	1146	1146
Net sales excluding excise duty	19423	19608	38419

5. The company has attained break even during the quarter under review. The company is trying to push more volumes in light of the order book position. This shall result into increased profitability. The company is also making its all out efforts to resolve the debts with the lenders.

Considering the above developments and favorable impact thereof 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 10 November 2018. 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.



1. Statement of Assets & Liabilities as on 30th September, 2018


. in lakhs

Particulars	As at 30.09.2018 Unaudited	As at 31.03.2018 Audited
A ASSETS		
1 Non-Currents Assets		
Fixed Assets		
a) Property, plant and equipment	5,988	6,246
b) Capital work-in-progress	90	28
c) Other Intangible Assets	7	7
d) Investments	3	3
d) Other non-current assets	639	639
Sub-total-Non Current Assets	6,727	6,923
2 Current Assets		
a) Inventories	4,842	4,452
b) Financial Assets		
(i) Investments	-	10
(ii) Trade Receivables	7,045	7,238
(iii) Cash and cash equivalents	459	180
(iv) Bank balances	-	5
(v) Short Term advances	202	236
c) Other Current Assets	273	126
Sub-total- Current Assets	12,821	12,247
TOTAL ASSETS	19,548	19,170
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	1,440	1,440
(b) Other Equity	(6,683)	(5,736)
Sub-total-Shareholders funds	(5,243)	(4,296)
2 LIABILITIES		
Non-current-liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(b) Provisions	202	192
(c) Other non-current liabilities	4	4
Sub-total-Non current liabilities	206	196
3 Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	3,813	2,312
(iii) Other financial liabilities	19,075	18,920
(b) Other current liabilities	1,600	1,952
(c) Short term provisions	97	86
Sub-total- Current liabilities	24,585	23,270
TOTAL EQUITY AND LIABILITIES	19,548	19,170

For and on behalf of the Board of Directors

Place: Chandigarh
Date: 10th November, 2018




RAJESH KUMAR SINHA
Director (Operations)
DIN: 00556694



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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 September 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 and 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 Sec-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 competent authorities 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 30.09.2018)	Remuneration (For half-year ended 30.09.2018)
1.	Mr. Krishan Kumar Goyal	Managing Director	10,03,671	20,07,342
2	Mr. R.K. Sinha	Director	8,17,875	16,35,750

***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,2016including 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, except PNB for being under OTS, subsequent to the date of declaration of these credit facilities as non-performing. Such interest amounts to Rs.552 lakhs for the quarter and Rs.1243 lakhs for six months ended on 30 September 2018which has not been provided. The financial results are affected to the same extent.

Our Opinion is not qualified in respect of matters stated in para no.5.

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANT**


HARSHARANJIT SINGH CHahal
(Partner)
M No. 091689



**Place: Chandigarh
Dated: 10th November 2018**