



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/2022-23

Date: 07th September, 2022

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

Subject: Annual Report of the Company along with Notice of 48th Annual General Meeting (AGM)

Dear Sir,

Pursuant to relevant Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for Financial Year 2021-22 along with Notice of the 48th Annual General Meeting of the Company to be held on Friday, 30th September, 2022.

The schedule of the events is set as below:

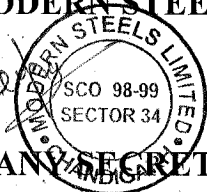
S. No.	Event	Date
1.	Relevant/Cut-off date to vote on AGM resolution	23 rd September, 2022
2.	Commencement of e-voting	27 th September, 2022 (9.00 AM)
3.	End of e-voting	29 th September, 2022 (5.00 PM)
4.	Annual General Meeting	30 th September, 2022 (11.00 AM)

Please take the above on your record.

Thanking you

Yours truly,

For **MODERN STEELS LIMITED**


COMPANY SECRETARY

NOTICE OF 48TH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the members of Modern Steels Limited will be held on Friday, the 30th September, 2022 at 02:00 p.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, 2022 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.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the rules framed thereunder, as amended from time to time, M/s A P T & Co LLP, Chartered Accountants(Registration No. 014621C/N500088), be and are hereby appointed as Statutory Auditors of the Company for a period of two years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024 at a remuneration of Rs. 2,00,000/- per annum (Rupees Two Lakhs only) as Statutory Audit Fee.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters, and things which may deem necessary in this behalf."

SPECIAL BUSINESS:

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. **Ratification of the approval of remuneration paid to Whole-time/Executive Directors for the preceding period pursuant to amended Section 197 of the Companies Act, 2013**

To consider and if thought fit, to approve the remuneration paid to Whole-time/Executive Directors for the preceding period and pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 (as amended and became applicable w.e.f. 12th September,2018), 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), including any amendments thereto, Schedule V of the Companies Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or re-enactments(s) as may be in force or may come into effect from time to time) and rules, regulations, orders, guidelines or clarifications made/issued or as may be issued to that effect and the Board of Directors, consent of the members be and is hereby accorded to ratify and approve the past remuneration already paid by the Company to its Whole-time/Executive Directors namely Mr. Amarjit Goyal, Mr. Krishan Kumar Goyal and Mr. R.K. Sinha in the preceding period in aggregate amounting to Rs. 2,63,72,566/- (Rupees Two Crores Sixty Three Lakhs Seventy Two Thousand Five Hundred Sixty Six only). The said remuneration was paid in the due course of Company's operations.



RESOLVED FURTHER THAT the Board be and are hereby severally authorized 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

Deepa
Company Secretary

Place: Chandigarh
Dated: 27th August, 2022

Registered Office:

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the Special Business to be transacted at the 48th Annual General Meeting (AGM) under Item No. 4 and 5 of the Notice, is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 03/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. However, for all the purpose the venue for above said Annual General Meeting held through Video Conferencing (VC) or other audio visual means (OAVM) shall deemed to be the registered office of the Company.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 02/2021 dated January 13, 2021 and MCA Circular No. 03/2022 dated May 05, 2022, 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.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after 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.
5. 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.
6. 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, January 13, 2021 and May 05, 2022, 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.

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 websites of the Stock Exchanges 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.
7. 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, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular 03/2022 dated May 05, 2022.
8. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

NOTICE OF 48TH ANNUAL GENERAL MEETING

9. Members who wish to obtain any information about the Company or view the Accounts for the financial year ended 31st March, 2022, 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.
10. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2022 to 30th September, 2022 (both days inclusive).
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, etc.
- **For Shares held in electronic form:** to their Depository Participant
 - **For Shares held in physical form:** to the Company/ Registrar and Transfer Agent in Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021.
12. Members are requested to note that SEBI vide its Circular dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate share certificate, claim from unclaimed suspense account; renewal/ exchange of share certificate; endorsement; sub division/ splitting of share certificates; consolidation of share certificates/ folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4.
13. In terms of SEBI notification dated 25th of June, 2022, SEBI has mandated that all requests for transfer of securities including transmission and transposition be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
- As per Section 72 of the Act and SEBI circular dated 03.11.2021, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.modernsteels.com and from the website of Company's Registrar and Transfer Agents at www.mcsregistrars.com. Members are requested to submit the said details to their DPs in case the shares are held by them in the dematerialized form and the Company's RTA in case the shares are held in physical form.
14. As per the provisions of the Companies Act, 2013 and the rules made thereunder and the Regulation 36(1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company.
- Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this report with MCS Share Transfer Agent Limited/ Investors Service Department of the Company. The members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.
- Even after registering for e-communication, the Shareholders of the Company are entitled to receive such communication in physical form, upon request.
15. 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 their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /MCS Share transfer Agent Limited.
16. Soft copy of the Annual Report for the financial year 2021-22 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes.
- Pursuant to MCA circular 03/2022 dated 05th May, 2022 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, the physical copies of the notice of 48th Annual General Meeting of the company are not being sent to the members.
17. Soft copy of the Notice of the 48th Annual General Meeting of the Company, inter-alia, indicating the process and manner of remote e-voting is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes
- Pursuant to MCA circular 03/2022 dated 05th May, 2022 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, the physical copies of the notice of 48th Annual General Meeting of the company are not being sent to the members.
18. Members may also note that the Notice of the 48th Annual General Meeting and the Annual Report for the financial year 2021-22 will also be available on the



Company's website www.modernsteels.com for their download.

For any communication, the members may also send requests at email ID: secretarial@modernsteels.com

19. Procedure for "Remote E-Voting" pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the 48th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

I. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

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

The remote e-voting period begins on **Tuesday, 27th September, 2022 at 09:00 A.M.** and ends on **Thursday, 29th September, 2022 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. **Friday, 23rd September, 2022**, 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 September, 2022**.

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:


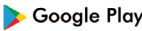


Step 1: Access to NSDL e-Voting system

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 website of NSDL Viz. https://eservices.nsdl.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.nsdl.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. 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>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>

NOTICE OF 48TH ANNUAL GENERAL MEETING

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 recorded 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 abovementioned 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.

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

- 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.
- 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, 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.*
- 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 com-pany For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - 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 and join General Meeting 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 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 sangerassociates@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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 (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories 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 (Company email id).
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 (Company email id). 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 and joining virtual meeting 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.

NOTICE OF 48TH ANNUAL GENERAL MEETING

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.

THE 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 meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join 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.
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 therefore 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 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.
20. 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).
21. 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 September, 2022.
22. Mr. Rajeev Kumar Sanger, Practising Company Secretary (Membership No. ACS 58369) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
23. 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.
24. 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.moderndairies.com and on the website of NSDL and communicated to the BSE Limited.
25. 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

Place: Chandigarh
Dated: 27th August, 2022

Deepa
Company Secretary

Registered Office:

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

This is to inform the Hon'ble members that the appointment and payment of remuneration to Whole-time/Executive Directors is governed by the provision of Section 196, of the Companies Act 2013 read with schedule V.

As hon'ble members are aware that in the preceding years, remuneration had been paid to the Whole Time/ Executive Directors namely Mr. Amarjit Goyal, Mr. Krishan Kumar Goyal and Mr. R.K. Sinha. The total amount of Rs. 2,63,72,566/- (Rupees Two Crores Sixty Three Lakhs Seventy Two Thousand Five Hundred Sixty Six only). The said remuneration was paid in the due course of company's operations.

Although the remuneration as recommended and approved by the shareholders was well within the limits as prescribed under schedule to the Companies Act 2013 in case of loss or inadequacy of profit, but since the accounts of the company with lenders had gone NPA and as per the provisions of Companies Act the Lenders approval was required, but due to default status, the approval could not be obtained.

As the Hon'ble members are aware that the Company's lenders have been paid by OTS debt settlement. The entire settlement amount has been paid to the respective lenders. Both the lenders i.e. Edelweiss ARC Ltd., Mumbai & Punjab National Bank have issued their No Dues Certificates to the Company. Their charges have been cleared from the Registrar of Companies.

The approval of the Share Holders is proposed for the ratification of the payment of remuneration paid to the directors.

None of the Directors except Mr. Krishan Kumar Goyal is in any way, concerned or interested, financially or otherwise, in the resolution.

The relatives of Mr. Krishan Kumar Goyal may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

By order of the Board of Directors
For Modern Steels Limited

Place: Chandigarh
Dated: 27th August, 2022

Deepa
Company Secretary

Registered Office:

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

48TH

ANNUAL REPORT
2021-2022



MODERN STEELS LIMITED

BOARD OF DIRECTORS

Chairman and Managing Director
Mr. Krishan Kumar Goyal

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

CHIEF FINANCIAL OFFICER

Mr. Suresh Kumar Puri

COMPANY SECRETARY

Ms. Deepa

AUDITORS

M/s. Aaryaa & Associates
Chartered Accountants

CORPORATE OFFICE

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

REGISTERED OFFICE

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

CONTENTS

Directors' Report -----	2
Corporate Governance Report -----	14
Independent Auditor's Report-----	25
Balance Sheet -----	30
Statement of Profit and Loss-----	31
Cash Flow Statement-----	32
Notes-----	33

**DIRECTORS' REPORT**

Dear Members,

Your Directors hereby present their 48th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2022.

FINANCIAL SUMMARY

₹ in Lakhs

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Net Sales & Income from Operations	18242	8724
Operating Profit/(Loss)	8058	(1717)
Finance Cost	86	46
Cash Profit/(Loss)	7972	(1763)
Depreciation & Amortisation	359	487
Profit/(Loss) before Exceptional Items	7613	(2250)
Exceptional Items	137	6112
Profit/(Loss) before Tax	7750	3862

PERFORMANCE

During the year under review, the company achieved net sales of Rs. 18242 Lakhs as against Rs. 8724 Lakhs in the previous year and resulting into net operational profit before exceptional items of Rs. 7613 Lakhs against the net loss of Rs. 2250 Lakhs in the previous year.

DIVIDEND

Due to the ongoing financial constraints in the Company, the Directors have not recommended any dividend for the year under review.

BUSINESS TRANSFER AGREEMENT (BTA) / SLUMP SALE EXECUTION

Members will recall that, on 15th November 2020 the Business Transfer Agreement (BTA) had been executed between M/s Arjas Steel Pvt. Ltd./ M/s Arjas Modern Steel Pvt. Ltd. (Purchaser), Modern Steels Ltd. (Seller), Promoters (Mr. Krishan Kumar Goyal and Mr. Aditya Goyal)

After the execution of the Business Transfer Agreement and Job Work Contract, the company has given the operations of the plant to M/s Arjas Steel Pvt. Ltd. where they took control of the plant and operated till 05.01.2022.

Pursuant to the execution of BTA the Properties of the Unit (the Land & Building of the Plant and Staff Colony) in Mandi Gobindgarh, were transferred to Arjas Modern

Steel Pvt. (Buyer) and the Deeds of Conveyance were duly registered with the office of Tehsildar, Mandi Gobindgarh, Punjab on 05th January 2022.

The Plant & Machinery of the unit and other current assets and liabilities were also transferred to buyer under slump sale.

The slump sale was completed on 05.01.2022 and the intimation regarding the same was given to Bombay Stock Exchange.

Lender

Punjab National Bank

It is informed to the Hon'ble members that Punjab National Bank vide its letter dated 16.11.2021 has given its sanction letter for One Time Settlement (OTS) of the Debt of the Company and accordingly on the due date the payment was made to the Bank. Further upon payment, the Bank on 29.12.2021 issued a No Objection Certificate cum No Dues Certificate. Accordingly, all the charges have been vacated from the Ministry of Corporate Affairs.

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 under review.

TRANSFER TO RESERVES

Considering the financial position of the Company and requirements of regular funds for operations, no amount has been transferred to the General Reserves of the Company during Financial Year 2021-22.

SHARE CAPITAL

The paid up equity share capital is Rs. 14,40,00,000/- divided into 1,44,00,000 equity shares of Rs. 10/- each and there was no change in capital structure during the financial year 2021-22.

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.

CORPORATE SOCIAL RESPONSIBILITY

Your Company does not fall within the ambit of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

DIRECTORS

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. In view of his considerable experience and expertise, Directors of your Company recommend his reappointment as Director of Company.

KEY MANAGERIAL PERSONNEL

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. Krishan Kumar Goyal (Chairman & Managing Director), Mr. Suresh Kumar Puri *(Chief Financial Officer) and Ms. Deepa **(Company Secretary & Compliance Officer) are the Key Managerial Personnel of the Company.

*Mr. Divnain Singh Chowdhary ceased to be the Chief Financial Officer of Company w.e.f. 01.02.2022 and Mr. Suresh Kumar Puri was appointed as the Chief Financial Officer w.e.f. 25.07.2022.

**Ms. Anjali was appointed as Company Secretary & Compliance Officer of Company from 05.05.2021, however she left the Company on 15.10.2021. Further, so as to fill the vacancy Mr. Himanshu Kalra, was appointed as Company Secretary & Compliance Officer from 16.10.2021 but due to some personal reasons, he left the Company on 08.01.2022. Thereafter, Ms. Deepa has been appointed as Company Secretary & Compliance Officer w.e.f. 14.02.2022.

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.

The Board of your Company formed an opinion that the Independent Directors of our Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience for performing their role as an Independent Directors.

BOARD DIVERSITY AND REMUNERATION POLICY

In accordance with Para A of Part D and Regulation 19 of Listing Regulations, the Board has framed Nomination & Remuneration Policy for appointment and remuneration of Directors, Key managerial Personnel and Senior Management Employees, which includes the criteria for determining qualification, positive attributes, independence of a Director and other matters provided under sub-section 3 of section 178 of the Companies Act, 2013. As on 31st March, 2022, 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. Since, no person is employed who draws 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 under review, six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report forming part of this 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. Further, no material related party transactions held during the financial year 2021-22.

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-A" 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.

The Audit Committee of the Company periodically reviews and evaluates the adequacy of risk management systems, keeps an eye on execution of risk management plan of the Company and advises management on strengthening mitigating measures wherever required. The actual identification, assessment and mitigation of risks is however done by the executives 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 of Employees, Directors and Senior Executives.

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 2021-22, 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, 2022. The assessment involved self-review 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, 2022, the internal financial controls were adequate and operating effectively.

COMMITTEES OF THE BOARD OF DIRECTORS

Your Company has the following Board Level Committees established by the Board in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

The details regarding composition, terms of reference, number of meetings held, etc. of the above Committees are included in the Report of Corporate Governance, which forms parts of this Report. There has been no instance where the board has not accepted recommendation of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. Further, the provisions of Companies Act mandating constitution of Risk Management Committee are not yet applicable to the Company.

AUDITORS

Statutory Auditors

M/s. Aaryaa & Associates, Chartered Accountants, (Registration No. 015935N), were 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, whose tenure is going to expire at this ensuing Annual General Meeting.

The Board of Directors pursuant to Section 139 and 142 and other applicable provisions of Companies Act, 2013, if any and the rules framed thereunder and subject to approval of Shareholders approved appointment of M/s. APT& Co. LLP, Chartered Accountants as Statutory Auditors of Company for a period of two (2) years to hold office from this ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024 at a remuneration mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

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. Sanger & Associates, Company Secretaries as Secretarial

Auditor of the Company for the financial year 2021-22 for conducting the Secretarial Audit as required under the provisions of Companies Act, 2013.

Further, M/s. Sanger & Associates, Company Secretaries being eligible for re-appointment expressed his willingness to act as Secretarial Auditor of Company for Financial Year 2022-23, the Board of Directors on recommendation of Audit Committee approved the re-appointment of M/s. Sanger & Associates as Secretarial Auditors of the Company for Financial Year 2022-23.

AUDITOR'S REPORT

Statutory Auditors' Report

The Statutory Auditors of the Company M/s. Aaryaa & Associates, Chartered Accountants, has submitted the Auditor's Report on standalone financial statements for the period ended March 31, 2022 which do not contain any qualification, reservation or adverse remark or disclaimer. The notes to the accounts referred to in the auditors' report are self-explanatory and therefore, do not call for any further comments. The Auditors have also not reported any matter under section 143(12) of the Companies Act, 2013.

Secretarial Auditors' Report

The Secretarial Auditor M/s. Sanger & Associates, Company Secretaries has submitted the Secretarial Audit Report for the Financial Year 2021-22 in Form No. MR-3 and forming part of this Directors Report annexed as "ANNEXURE-B".

Secretarial Auditors' Qualification in Secretarial Audit Report

The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except non-compliance with Regulation 33 and Regulation 23 (9), wherein the filings to the Stock Exchange was not filed within the stipulated time.

Management's Reply:

There was delay in filing to stock exchange because due to the tedious procedure of completing Slump Sale of the Assets of the Company and the 2nd wave of COVID 19 Pandemic, the finalization of the accounts got delayed and the company was unable to file the quarterly results with in stipulated time limit. Further, all the fines levied by the BSE for the Non-Compliances of the Regulation 33 have been deposited by the Company. Apart from that, the Company has complied with all the applicable



provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 available on the website of Company www.modernsteels.com and also annexed as “ANNEXURE-C” forming part of this report and also available on the website of the Company at www.modernsteels.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 for Financial Year 2021-22 forms 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, 2022 till the date of this report, 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 2021-22.

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, 2022, 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, 2022 and of the 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, 2022, 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: 27th August, 2022 DIN: 00482035

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Company was secondary producer of special and alloy steel through steel scrap as its main raw material till 05.01.2022 as the business has been transferred through slump sale and catered 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. 18242 Lakhs as against Rs. 8724 Lakhs in the previous year and resulting into net operational profit before exceptional items of Rs. 7613 Lakhs against the net loss of Rs. 2250 Lakhs in the previous year.

6. 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: 27th August, 2022 DIN: 00482035

**ANNEXURE 'A' 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, 2022.

FORM 'A'

	Current Year 2021-22	Previous Year 2020-21
A) Power and Fuel Consumption		
1. Electricity		
Purchased Units (kwh)	43357985	30591176
Total Amount Rs.	30,54,16,564	251762034
Rate Per unit Rs.	7.04	8.23
2. Fuel		
Quantity (Kgs)/kl	618512	677251
Total Amount Rs.	38061689	26895722
Rate Per Unit Rs.	61.53	39.71
3. Steam Coal(Gasifire)		
Quantity (Kgs)	3451069	3498449
Total Amount Rs.	3,09,88,582	27797738
Rate Per Unit Rs.	8.98	7.95
B) Consumption per unit of production		
1. Production (Concast Billets) MT	44110	25,999
a. Electricity Units	851	801
b. Furnace Oil (Kgs)	14.02	18.14
2. Production (Ingots) MT	--	1,223
a. Electricity Units	--	801
b. Furnace Oil (Kgs)	--	6.62
3. Production (Rolled Products with Coal) MT	38962	22,814
a. Electricity Units	96	89
b. Steam Coal(Kgs)-Gasifire	89	153

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: 27th August, 2022 DIN: 00482035

ANNEXURE 'B' TO DIRECTORS' REPORT

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH
2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
MODERN STEEL LTD.
CIN: L27109PB1973PLC003358
G T ROADMANDI GOBINDGARH
PUNJAB.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MODERN STEEL LTD. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon. Based on my verification of the MODERN STEEL LTD. Books, papers, minute books, 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31ST MARCH 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by MODERN STEEL LTD. ("The Company") for the financial year ended on 31ST MARCH 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable as the company has not issued any securities during the financial year under review.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable as the company has not provided any share-based benefits to the employees during the year
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable, as none of the securities of the company were delisted during the audit period
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the company has not bought back any of its securities during the financial year under review.
- (i) Employees' State Insurance Act, 1948
- (j) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (k) The Payment of Bonus Act, 1965.
- (l) The Payment of Gratuity Act, 1972
- (m) The Contract Labour (Regulation & Abolition) Act, 1970
- (n) The Maternity Benefit Act, 1961
- (o) The Child Labour (Prohibition & Regulation) Act, 1986
- (p) The Employees' Compensation Act, 1923
- (q) Equal Remuneration Act, 1976
- (r) Water (Prevention and Control of Pollution) Act, 1974
- (s) Water (Prevention and Control of Pollution) Cess Act, 1977
- (t) Air (Prevention and Control of Pollution) Act, 1981
- (u) Environment (Protection) Act, 1986

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. *The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except non-compliance with Regulation 33 and Regulation 23 (9), wherein the filings to the Stock Exchange was not filed within the stipulated time. All the fines levied by the BSE for the Non-Compliances of the Regulation 33 has been deposited by the Company. Apart from that, the Company has complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company: -

- a) Industrial Disputes Act, 1947
- b) The Payment of Wages Act, 1936
- c) The Minimum Wages Act, 1948



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 Act.

- 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The Company has obtained all necessary approvals under the various provision of the act.
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act and any other Act against/on the Company, its directors and officers.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SANGER & ASSOCIATES
COMPANY SECRETARIES

CS RAJEEV KUMAR SANGER
M NO. A58369

Place: Panchkula C.P NO.22007
Date: 27th August, 2022 UDIN: A058369D000860478

ANNEXURE:-A

To,
The Members,
MODERN STEEL LTD.
CIN: L27109PB1973PLC003358
G T ROADMANDI GOBINDGARH
PUNJAB.

Our Secretarial Audit report on even date, for the financial year 2021-22 is to be read along with this letter.

Management Responsibility

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper system to ensure compliance with the provision of all applicable laws and regulation and to ensure that the system is adequate and operate effectively.

Auditor responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial Compliances.
3. I believe that audit evidence and information obtained from the management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the management's representation about compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affair of the Company.
6. I have not verified the correctness and appropriate of financial records and books of account of the Company.

FOR SANGER & ASSOCIATES
COMPANY SECRETARIES

CS RAJEEV KUMAR SANGER
M.NO 58369

Place: Panchkula COP: 22007
Date: 27th August, 2022 UDIN: A058369D000860478

**ANNEXURE - 'C' TO DIRECTORS ' REPORT
FORM NO. MGT.9**

EXTRACT OF ANNUAL RETURN

MODERN STEELS LIMITED

as on the financial year ended 31st March, 2022

(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	GT Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab - 147301 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
1	Alloy Bars / Rounds	24105
2	Non Alloy Bars / Rounds	28140

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, 2021)				No. of shares held at the end of the year (as on 31 st March, 2022)				% change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
A. Promoters									
(1) Indian									
a) Individual /HUF	6885859	-	6885859	50.03	6885859	-	6885859	50.03	0.00
b) Bodies Corp.	2133077	-	2133077	15.50	2133077	-	2133077	15.50	0.00
Sub Total (A):-	9018936	-	9018936	65.53	9018936	-	9018936	65.53	0.00
Total shareholding of Promoter (A)	9018936	-	9018936	65.53	9018936	-	9018936	65.53	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3600	2400	6000	0.04	3600	2400	6000	0.04	0.00
b) Banks / FI	-	1000	1000	0.01	-	1000	1000	0.01	0.00
Sub Total (B)(1):-	3600	3400	7000	0.05	3600	3400	7000	0.05	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	62030	43300	105330	0.77	55327	43300	98627	0.72	-0.05
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakhs	1776847	736655	2513502	18.26	1814271	731705	2545976	18.50	0.24
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs.	2071537	21000	2092537	15.20	1866540	21000	1887540	13.72	-1.49
c) Others (Specify)									
Non Resident Indians	25054	-	25054	0.18	204280	-	204280	1.48	1.30
Sub Total (B)(2):-	3935468	800955	4736423	34.42	3940418	796005	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, 2021)				No. of shares held at the end of the year (as on 31 st March, 2022)				% change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Total Public Shareholding (B) = (B)(1) + (B) (2)	3939068	804355	4743423	34.47	3944018	799405	4743423	34.47	0.00
C. Shares held by custodian for CDRs and ADRs	-	-	-	-	-	-	-	-	0.00
Grand Total (A+B+C)	12958004	804355	13762359	100.00	12962954	799405	13762359	100.00	0.00

ii. Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (as on 1 st April, 2021)			Shareholding at the end of the year (as on 31 st March, 2022)			% 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.	Krishan Kumar Goyal	2496179	18.14	100%	2496179	18.14	100%	0.00
2.	Alka Goyal	1488840	10.82	100%	1488840	10.82	100%	0.00
3.	Amarjit Goyal	1189250	8.64	100%	1189250	8.64	100%	0.00
4.	Nabha Commerce Pvt Ltd.	837750	6.09	100%	837750	6.09	100%	0.00
5.	Aditya Goyal	795590	5.78	100%	795590	5.78	100%	0.00
6.	Chandigarh Finance Pvt Ltd	380625	2.77	100%	380625	2.77	100%	0.00
7.	Krishan Kumar Goyal (HUF)	546000	3.97	100%	546000	3.97	100%	0.00
8.	Amarjit Goyal (HUF)	370000	2.69	100%	370000	2.69	100%	0.00
9.	Times Finvest & Commerce Limited	234702	1.71	100%	234702	1.71	100%	0.00
10.	Indo Pacific Finlease Limited	680000	4.94	100%	680000	4.94	100%	0.00
Total		9018936	65.53	100%	9018936	65.53	100%	0.00

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 Shareholder	Shareholding at the beginning of the year (as on 1 st April, 2021)		Purchase during the year	Sale during the year	Cumulative Shareholding at the end of the year (as on 31 st March, 2022)	
		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	Ajay Goyal	514135	3.74	-	-	514135	3.41
2	Veenu Garg	366707	2.66	-	-	366707	2.66
3	Laven Kumar Goyal	195672	1.42	-	-	195672	1.42
4	Vijay Garg	191784	1.39	-	-	191784	1.39
5	Jayaseelan Singravelu	-	-	188,065	-	188065	1.37
6	Divyesh Ghanshyam Mehta	91978	0.67	-	24,978	67000	0.49
7	Hina Dhirajlal Ambani	44000	0.32	-	-	44000	0.32
8	Kamal Leasing Limited	40750	0.30	-	-	40750	0.30
9	Ram Lal	-	-	35,724	-	35724	0.26
10	Nipa Chetan Ambani	30220	0.22	-	-	30220	0.22

*Details of top Ten shareholders as on 31.03.2022.

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, 2021)		Purchase during the year	Sale during the year	Cumulative Shareholding at the end of the year (as on 31 st March, 2022)	
		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

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, 2021)					
i) Principal Amount	18,62,06,153	22,48,40,431	10,95,94,602	-	52,06,41,186
ii) Interest due but not paid	80,53,093	-	-	-	80,53,093
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	19,42,59,246	22,48,40,431	10,95,94,602	-	52,86,94,279
Change in indebtedness during the financial year					
- Addition	-	-	-	-	-
- Reduction	19,42,59,246	22,48,40,431	3,91,48,008	-	45,82,47,685
Net change	19,42,59,246	22,48,40,431	3,91,48,008	-	-45,82,47,685
Indebtedness at the end of the financial year (as on 31st March, 2022)					
i) Principal Amount	-	-	7,04,46,594	-	7,04,46,594
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	7,04,46,594	-	7,04,46,594

VI. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT 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.

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal
Chairman and Managing Director
DIN: 00482035

Place: Chandigarh
Dated: 27th August, 2022

**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**

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-executive Directors. As on 31st March, 2022, the Board consists of 4 Directors out of which 3(Three) are independent directors (including one women director) and 1(One) is non-independent executive director.

A list of Directors including the Chairman of the Board and their status as Executive / Non-Executive and Independent / Non-Independent, their attendance at the Board meetings held during the year and no. of Directorships and Committee Chairmanships/Memberships held by them in other public companies during the year ended 31st March, 2022 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 in other public companies		Relationship between directors inter se
					Chairman	Member	
Mr. Krishan Kumar Goyal	Chairman & Managing Director, Executive – Non Independent Director	6	Yes	1*	-	-	NA
Dr. Meena Sharma	Non-Executive – Independent Director	6	Yes	1**	-	-	NA
Prof. Satish Kumar Kapoor	Non-Executive – Independent Director	6	Yes	1**	2	-	NA
Dr. A. K. Vashisht	Non-Executive – Independent Director	6	Yes	1**	-	2	NA

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

** Prof. Satish Kumar Kapoor, Dr. A.K. Vashisht and Dr. Meena Sharma are Non-Executive Independent Director in Modern Dairies Limited.

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 other Public Limited Companies (listed / unlisted) have been considered.

B. Board Meeting and Attendance

During the financial year ended 31st March, 2022, The Board of Directors met 6 (Six) times and the details of such Board Meetings are as under:

Date of Board Meeting	Board’s Strength	No. of Directors Present
11 th May, 2021	4	4
16 th October, 2021	4	4
07 th December, 2021	4	4
30 th December, 2021	4	4
14 th February, 2022	4	4
23 rd March, 2022	4	4

None of the non- executive Directors are holding any equity shares in the Company.

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

Understanding of Industry, Leadership, Corporate Accounts & Finance, Production, Sales, Marketing, Administration and General Management, Board procedures and Corporate Governance

The Directors possessing the skills/expertise and competencies:

Name of the Directors	Skills/Expertise and Competencies
Mr. Krishan Kumar Goyal	Understanding of Industry, Leadership, Corporate Accounts & Finance, Production, Sales, Marketing, Administration, Board Procedures and Corporate Governance, General Management, etc.
Prof. Satish Kapoor	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Dr. A. K. Vashisht	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Dr. Meena Sharma	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.

D. 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) consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (22) 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 constituted an Audit Committee as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 177 of the Companies Act, 2013. The Committee comprises of 3(three) Directors and all are Independent directors.

The constitution of the Audit Committee is as under:

Name of Director	Member / Chairman
Prof. Satish Kumar Kapoor	Chairman
Mr. Krishan Kumar Goyal	Member (till 11.05.2021)
Dr. Avtar Krishan Vashisht*	Member (w.e.f. 11.05.2021)
Dr. Meena Sharma	Member

*Dr. Avtar Krishan Vashisht is appointed as Non-Executive Independent Director on 11th of May, 2021.

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

Three (3) committee meetings of Audit Committee were held during the financial year 2021-22 on 30th November 2021, 30th December 2021 and 14th February 2022. The status of attendance of members at the Audit Committee meetings held during the year is as under:

Name of Director	No. of Meetings Director was entitled to attend during 2021-22	No. of Meetings attended during 2021-22
Prof. Satish Kumar Kapoor	3	3
Mr. Krishan Kumar Goyal	NA	NA
Dr. Meena Sharma	3	3
Dr. Avtar Krishan Vashisht	3	3

4. NOMINATION AND REMUNERATION COMMITTEE**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 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. As on 31st March, 2022, the Committee consists of 3(three) Directors and all are Independent Directors:

Name of Director	Member / Chairman
Prof. Satish Kumar Kapoor	Chairman
Dr. Meena Sharma	Member
Dr. Avtar Krishan Vashisht	Member (w.e.f. 11.05.2021)

c. During the year, the meetings of this Committee were held on 11th May, 2021, 16th October, 2021 and 14th February, 2022 and the detail of attendance is as follows:

Name of Director	No. of Meetings Director was entitled to attend during 2021-22	No. of Meetings attended during 2021-22
Prof. Satish Kumar Kapoor	3	3
Dr. Meena Sharma	3	3
Dr. Avtar Krishan Vashisht	3	3

- 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 2021-22. 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 for Board and Committee meetings attended by them.

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2022:

Amount in Rs.

Name of the Director	Salary	Benefits/PF	Perquisites	Stock Option	Sitting Fee	Total
Mr. Krishan Kumar Goyal	–	–	–	–	–	–
Prof. Satish Kumar Kapoor	–	–	–	–	1,40,000	1,40,000
Dr. Meena Sharma	–	–	–	–	1,40,000	1,40,000
Dr. Avtar Krishan Vashisht*	–	–	–	–	1,00,000	1,00,000

*Dr. Avtar Krishan Vashisht appointed as Non- Executive Independent Director w.e.f. 11th May, 2021.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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. Composition of 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. The Committee consists of 3 (three) Directors and all are independent directors. The list of members and the Chairman of the Committee is as follows:

Name of Director	Member / Chairman
Prof. Satish Kumar Kapoor	Chairman
Dr. Meena Sharma	Member
Mr. Krishan Kumar Goyal	Member (till 11.05.2021)
Dr. Avtar Krishan Vashisht	Member (w.e.f. 11.05.2021)

- 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. During the financial year ended 31st March, 2022, 3 (three) meetings of the Stakeholders Relationship Committee were held on 16th October, 2021, 30th December, 2021 and 14th February 2022.

Name of Director	No. of Meetings Director was entitled to attend during 2021-22	No. of Meetings attended during 2021-22
Prof. Satish Kumar Kapoor	3	3
Dr. Meena Sharma	3	3
Mr. Krishan Kumar Goyal	NA	NA
Dr. Avtar Krishan Vashisht	3	3

- g. During the year 2021-22, the Company has not received any complaint from the shareholders.

7. GENERAL BODY MEETINGS

• Annual General Meeting

Financial Year	Location	Date	Time
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.
2020-21	Regd. Office: G.T. Road, Mandi Gobindgarh (Pb.)	30.12.2021	11.00 A.M.

Special Resolutions passed in previous three AGMs:

- (i) In the 45th AGM dated 30.09.2019, the following Special resolutions were passed:
- 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.
 - To adopt new set of Memorandum of Association/ Articles of Association as per Companies Act, 2013
 - 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
 - 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
- (ii) 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.
- (iii) In the 47th AGM dated 30.12.2021, the following Special resolutions were passed:
- To appoint Dr. Avtar Krishan Vashisht (DIN: 03323142) as a non-executive Independent Director.

• Extra-ordinary General Meeting

During the year, no Extraordinary General Meeting of the Company was held.

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 or by post.

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 posted to the shareholders.

**GENERAL SHAREHOLDER INFORMATION****1. Annual General Meeting:**

Day, Date & Time: Friday, the 30th day of September, 2022 at 02.00 p.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, 2022	August, 2022 (2 nd week)
30 th September, 2022	November, 2022 (2 nd week)
31 st December, 2022	February, 2022 (2 nd Week)
31 st March, 2022	May, 2022
Annual General Meeting	September, 2022

3. Book Closure Date:

From 24th September, 2022 to 30th September, 2022 (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. Payment of Listing Fees and Depository Fees

Your Company has made payment of Annual Listing Fees for Financial Year 2022-23 to the BSE Stock Exchange, where the securities of Company are listed.

Your Company has also made payment of Annual Custody/Issuer fee for Financial Year 2022-23 to NSDL & CDSL.

7. Stock Data:

Month	MODERN STEELS LTD. ON BSE				BSE SENSEX		
	High	Low	Close	Volume	High	Low	Close
2021							
April	3.72	3.00	3.45	37,060	50375.77	47204.50	48782.36
May	4.59	3.26	4.43	93,672	52013.22	48028.07	51937.44
June	4.23	3.53	3.85	43,445	53126.73	51450.58	52482.71
July	4.70	3.86	4.18	67,375	53290.81	51802.73	52586.84
August	4.65	3.71	3.85	16,937	57625.26	52804.08	57552.39
September	4.20	3.61	3.83	24,893	60412.32	57263.90	59126.36
October	4.55	3.61	3.61	22,903	62245.43	58551.14	59306.93
November	4.00	3.20	4.00	15,843	61036.56	56382.93	57064.87
December	7.94	3.65	7.94	58,526	59203.37	55132.68	58253.82
2022							
January	11.34	8.33	9.38	3,13,139	61475.15	56409.63	58014.17
February	15.81	8.95	10.36	2,49,947	59618.51	54383.20	56247.28
March	23.75	10.67	23.75	3,28,176	58890.92	52260.82	58568.51

8. 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.

9. Share transfer System:

94.19% 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.

10. Distribution of Shareholding as on 31st March, 2022:

SHAREHOLDING		SHAREHOLDERS		NO. OF SHARES	
From	To	Number	% of total	Number	% of total
1	500	6048	88.07	1286853	9.35
501	1000	407	5.93	326496	2.37
1001	2000	200	2.91	291508	2.11
2001	3000	57	0.83	144711	1.05
3001	4000	31	0.45	111103	0.80
4001	5000	24	0.35	111165	0.80
5001	10000	48	0.70	339441	2.47
10001	50000	31	0.45	657646	4.78
50001	100000	2	0.03	143760	1.04
100001	And Above	19	0.28	10349676	75.20
TOTAL		6867	100.00	13762359	100.00

Shareholding Pattern of the Company as on 31st March, 2022:

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)	98627	0.72
Indian Public	4433516	32.22
NRIs / OCBs	204280	1.48
TOTAL	13762359	100.00

11. 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, 2022.

No. of Shares : **1,29,62,954**

94.19% of the total equity.

**12. 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.

13. Plant Location of the Company:

The Company has sold its Business undertaking at Mandi Gobindgarh under Slump Sale on 5 January 2022. Hence, Company is having no plant as on date.

14. 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

15. Other Disclosures:

- a) Disclosure on materially significant related party transactions: NIL
- b) Details of non- compliance by listed Company, penalties: BSE Ltd. imposed a penalty of Rs. 4,38,981/- for non-compliance during the year 2021-22. 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 2021-22.

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.

FOR Modern Steels Limited

Place: Chandigarh
Dated: 27th August, 2022

Krishan Kumar Goyal
Chairman & Managing Director
DIN: 00482035

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 STEELS LIMITED
G T ROAD MANDI GOBINDGARH PUNJAB

We have examined the compliance of conditions of Corporate Governance by Modern Steel Limited (the company) for the year ended on 31st March 2022 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.

The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except non-compliance with Regulation 33 and Regulation 23 (9), wherein the filings to the Stock Exchange was not filed within the stipulated time. All the fines levied by the BSE for the Non-Compliances of the Regulation 33 has been deposited by the Company. Apart from that, the Company has complied with all the applicable provisions of 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 Sanger & Associates
Company Secretaries

Place: Panchkula
Dated: 27th August 2022

CS Rajeev Kumar Sanger
M.NO 58369
COP: 22007
UDIN: A058369D000860511



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(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

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 (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, 2022 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 Sanger & Associates
Company Secretaries

CS Rajeev Kumar Sanger
M.NO 58369
COP: 22007
UDIN: A058369D000860511

Place: Panchkula
Dated: 27th August 2022

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, 2022, 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.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing 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 Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

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.

(A) Share of Profit/Losses:

As per the mutual understanding operational losses of steel division has been borne by Arjas Steel Pvt Ltd. The same has been provided as conversion charges 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 has been borne by Modern Automotive Limited the recoverable thereof have been transferred Arjas along with other debtors. 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) The ageing for the Trade payables for the financial year 2020-21 as per Schedule III of companies Act 2013 is not available with the company. Hence the same has not been reported in the financials.

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-A, 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. There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company.
 - f. On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid to the directors during the financial year ended 31-03-2022.
 - i. 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:
 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 2. 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;
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 4. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
5. No dividend has been declared or paid during the year by the Company

FOR AARYAA & ASSOCIATES
Chartered Accountants

CA Harsharanjit Singh Chahal
Partner
Membership no. 091689
(Firm Registration No. 015935N)
UDIN: 22091689AOXTGJ5543

Place: Chandigarh
Date: 12th August, 2022

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of the company for the year ended 31st March, 2022. 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.
- d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible or both during the year ended March 31, 2022
- e) There are no proceedings initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
2. a) The inventory of the company has been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed.
- b) There has been no sanctioning of working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year ended March, 31 2022.
3. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year ended on 31st march 2022.
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 not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause (v) of the Order are not applicable.
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.
7. (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There were no

arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable

- (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, 09-10	8,50,927

8. The company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
9. a) The company has done One-time settlement (OTS) with the lenders which has been paid during the current financial year and company has received no due certificate from the lenders.
- b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender during the year.
- c) There were no Term loans availed during the year under audit.
- d) The Company has not availed funds on short term basis during the year under audit.
- e) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on this clause of the Order is not applicable to the Company.
- f) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. Hence, the requirement to report on this clause of the Order is not applicable to the Company.
10. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments and term loans during the year).
- (b) The Company has not made any preferential allotment or private placement of shares/fully or



- partially or optionally convertible debentures during the year under audit.
11. (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
(b) During the year and up to the date of this report, no report under section 143 (12) of the Act has been filed by auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) There has been no Whistle blower complaint received during the year by the company.
 12. 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.
 13. In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind-AS.
 14. (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditors for the period under audit were considered by us.
 15. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause (xv) of the Order is not applicable to the Company.
 16. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company
(b) The company is a Manufacturing company of Steels Products registered under companies Act 2013. Hence, it is not required to obtain certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause c(xvi) of the Order is not applicable to the Company
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause d(xvi) of the Order is not applicable to the Company.
 17. The Company has not incurred cash losses in the current year or the immediately preceding financial year.
 18. There has been no resignation of the statutory auditors during the year ended 31st March 2022.
 19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, it has come to our attention, which makes us to believe that some material uncertainty exists as on the date of the audit report, that Company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
 20. (a) Since Section 135 is not applicable to the company Hence in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule 9II of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
(b) Since Section 135 of the companies Act 2013 is not applicable to the company. There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.
 21. Since there is no subsidiary, associate or Joint Ventures of the company so company is not required to make consolidated financial statements. Hence requirement to report under this clause is not applicable to the company.

FOR AARYAA & ASSOCIATES
Chartered Accountants

CA Harsharanjit Singh Chahal
Partner
Membership no. 091689
(Firm Registration No. 015935N)
UDIN: 22091689AOXTGJ5543

Place: Chandigarh
Date: 12th August, 2022

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, 2022

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 2022, 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 2022, 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

CA Harsharanjit Singh Chahal
Partner
Membership no. 091689
(Firm Registration No. 015935N)
UDIN: 22091689AOXTGJ5543

Place: Chandigarh
Date: 12th August, 2022



MODERN STEELS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Notes	31 March 2022 ₹ in Lakhs	31 March 2021 ₹ in Lakhs
A ASSETS			
1 Non-current assets			
a) Fixed Assets			
i) Property, Plant and Equipment	III	6	49,91
ii) Capital work-in-progress	III	-	67
iii) Other Intangible assets	III	-	8
b) Financial Assets			
i) Investments	IV	3	3
ii) Other non-current assets	V	-	5,30
		<u>9</u>	<u>55,99</u>
2 Current assets			
a) Inventories	VI	-	16,52
b) Financial Assets			
(i) Trade receivables	VII	-	14,14
(ii) Cash and Bank balances	VIII	41	12
(iii) Short Term advances	IX	2,66	2,24
c) Current Tax Assets(Net)	X	3,21	1,09
d) Other Current Assets	XI	-	4,96
		<u>6,28</u>	<u>39,07</u>
		<u>6,37</u>	<u>95,06</u>
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	XII	14,40	14,40
(b) Other Equity	XIII	(15,41)	(92,91)
Sub-total-Shareholders funds		(1,01)	(78,51)
2 LIABILITIES			
Non-current-liabilities			
(a) Provisions	XIV	-	2,17
(b) Other non-current liabilities	XV	-	2
Sub-total-Non current liabilities		-	2,19
3 Current Liabilities			
(a) Financial Liabilities			
(i) Short term borrowings	XVI	7,04	52,86
(ii) Trade payables	XVII		
(a) Total outstanding dues of micro enterprises small & medium enterprises		-	1,66
(b) Total outstanding dues of creditors other than micro enterprises small & medium enterprises		22	29,03
(b) Other current liabilities	XVIII	12	86,80
(c) Short term provisions	XIX	-	1,03
Sub-total-Current liabilities		<u>7,38</u>	<u>1,71,38</u>
Significant Accounting Policies		<u>6,37</u>	<u>95,06</u>

The Notes I to XXXIX form an integral part of the Financial Statements

For AARYAA & ASSOCIATES

Chartered Accountants
Firm Registration No 015935N

SURESH KUMAR PURI
Chief Financial Officer

CA HARSHARANJIT SINGH CHAHAL

Partner
M.No 091689
Place: Chandigarh
Date: 12th August, 2022

DEEPA
Company Secretary

For Modern Steels Limited

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

AVTAR KRISHAN VASHISHT
Director
(DIN: 03323142)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2022

Particulars	Notes	Year ended 31 March 2022 ₹ in Lakhs	Year ended 31 March 2021 ₹ in Lakhs
INCOME			
1 Revenue From Operations	XX	1,02,04	83,53
2 Other Income	XXI	80,38	3,71
3 Total Revenue		1,82,42	87,24
4 EXPENSES			
Cost of materials consumed	XXII	10,31	20,89
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	XXIII	1,85	3,78
Employee benefits expense	XXIV	15,05	20,23
Finance costs	XXV	86	46
Depreciation and Amortisation expenses	III	3,59	4,87
Other expenses	XXVI	74,63	59,51
Total expenses		1,06,29	1,09,74
5 Profit / (Loss) Before exceptional Items		76,13	(22,50)
6 Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss	XXVII	-	(13)
b) Items that will be reclassified to profit or loss			
Exceptional Items		1,37	61,25
7 Total Other Comprehensive Income (net)		1,37	61,12
8 Profit/(Loss) After exceptional Items		77,50	38,62
9 Earning per share			
Significant Accounting Policies	II	56.31	28.07
The Notes I to XXXIX form an integral part of the Financial Statements			

For AARYAA & ASSOCIATESChartered Accountants
Firm Registration No 015935N**SURESH KUMAR PURI**
Chief Financial Officer**CA HARSHARANJIT SINGH CHAHAL**Partner
M.No 091689
Place: Chandigarh
Date: 12th August, 2022**DEEPA**
Company Secretary**For Modern Steels Limited****KRISHAN KUMAR GOYAL**
Chairman & Managing Director
(DIN: 00482035)**AVTAR KRISHAN VASHISHT**
Director
(DIN: 03323142)



MODERN STEELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

Particulars	31 March 2022 ₹ in Lakhs	31 March 2021 ₹ in Lakhs
A Cash Flow from Operating Activities:		
Net Profit/(Loss) after tax	77,50	(22,62)
Adjusted for :		
i. Depreciation	3,59	4,87
ii. Loss on Sale of Fixed Assets	-	61,25
iii. Prior period adjustments	-	47
iv. Finance Cost	86	46
v. Interest Income	(15)	
	<u>4,30</u>	<u>(24)</u>
Operating profit before working Capital Changes	81,80	44,18
Adjusted for :		
i. Inventories	16,51	3,27
ii. Trade & Other receivables	13,81	9,51
iii. Trade Payable & Other Liabilities	(1,18,18)	75,21
	<u>(87,86)</u>	<u>88,00</u>
Cash Generated from Operations	(6,06)	1,32,18
i. Taxes Paid	2,75	55
Net Cash outflow from Operating Activities (A)	(3,31)	1,32,73
B Cash Flow from Investing Activities		
i. Purchase of Fixed Assets	47,01	(68)
ii. Sale/Adjustments of Fixed Assets/ others	5,30	2
iii. Interest Income	16	24
Net Cash used In Investing Activities (B)	52,47	(43)
C Cash Flow from Financing Activities		
i. Net Increase/(Decrease) in other financial liabilities	(45,82)	(1,31,76)
ii. Net Increase/(Decrease) in Liabilities/Provisions	(2,19)	(15)
iii. Finance Cost	(86)	(46)
Net Cash from Financing Activities (C)	(48,87)	(1,32,37)
Net increase/decrease in Cash & Cash Equivalents (A+B+C)	29	(7)
Cash & Cash Equivalents as on 1st April 2021	12	20
Cash & Cash Equivalents as on 31 March 2022	41	12
Reconciliation of Cash and Bank balances with Balance Sheet		
Cash and Bank balances as per Balance Sheet	41	12
Cash & Cash equivalents as on 31st March 2022	41	12

For AARYAA & ASSOCIATES

Chartered Accountants
Firm Registration No 015935N

SURESH KUMAR PURI
Chief Financial Officer

CA HARSHARANJIT SINGH CHAHAL

Partner
M.No 091689
Place: Chandigarh
Date: 12th August, 2022

DEEPA
Company Secretary

For Modern Steels Limited

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

AVTAR KRISHAN VASHISHT
Director
(DIN: 03323142)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**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 with in 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) has been settled and paid during FY2020-21. The settled amount was paid on due date. During the Fiscal 2020-21, dues of Punjab National Bank was settled and accounting of debts and write back was completed in the same year. The amount was paid during the current Financial Year and no due certificate was received. Thus after clearing of dues of all the lenders, the business was transferred to M/s Arjas Modern Steel Pvt. Ltd. There is no outstanding amount as on 31.03.2022.

2.11) Transfer of Assets

The Company had two manufacturing facilities – Steel Division and Auto Component Division. The company has sold its both manufacturing facilities at Fatehgarh Sahib to M/s Arjas Steel Pvt. Ltd. as approved in the 46th Annual General Meeting of Modern Steels Ltd. held on 4th December 2020. As per Business Transfer Agreement (BTA) with Arjas Steel Pvt. Ltd., the company has transferred its Assets to Arjas Steel Pvt. Ltd. in FY 2021-22.

2.12) Job Work:

Company has done job work in FY 2021-22 for M/s Arjas Modern Steel Pvt. Ltd. and Modern Automotives Ltd. The company has recovered conversion charges from both the companies.

2.13) 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.

2.14) 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.

2.15) Impairment of Assets

As at 31st March 2022 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.

2.16) 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.

2.17) 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.

2.18) 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.

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

NOTE: III

Property, Plant and Equipment

Amount 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 2020	25	15,10	1,12,32	1,70	1,21	1,62	1,32,20	36
Additions during the year	-	-	34	-	-	-	34	31
Sales/Adjustments during the year	-	-	-	-	-	1,02	1,02	-
As at 31 March 2021	25	15,10	1,12,66	1,70	1,21	60	1,31,52	67
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	25	15,03	1,12,66	1,60	1,02	49	1,31,05	67
As at 31st March 2022	-	7	-	10	19	11	47	-
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 March 2021	-	6,95	71,36	1,62	1,13	54	81,60	-
Depreciation for the year	-	30	3,20	2	-	4	3,56	-
Sales/Adjustments during the year	-	7,23	74,56	1,54	94	47	84,74	-
Accumulated depreciation as at 31 st March 2021	-	2	-	10	19	11	42	-
Carrying value as at 31 March 2020	25	8,54	45,23	18	9	16	54,45	36
Carrying value as at 31 March 2021	25	8,14	41,31	8	8	6	49,92	67
Carrying value as at 31st March 2022	-	4	-	-	1	1	6	-

Note III-a

Intangible Assets

Amount in ₹ Lakhs

Particulars	Computer Software
Gross carrying value As at 31 March 2020	140
Additions during the year	-
Sales/Adjustments during the year	-
As at 31 March 2021	140
Additions during the year	-
Sales/Adjustments during the year	140
As at 31 March 2022	-
Accumulated depreciation As at 31 March 20	128
Depreciation for the year	4
Sales/Adjustments during the year	-
As at 31 March 21	132
Depreciation for the year	-
Sales/Adjustments during the year	132
As at 31st March 2022	-
Net carrying value	
As at 31 March 2020	12
As at 31 March 2021	8
As at 31st March 2022	-

**NOTE: IV INVESTMENTS**

Particulars	As at 31 st March, 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ 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
Total	3	3

NOTE: V OTHER NON CURRENT ASSETS

Particulars	As at 31 st March, 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
(Unsecured, Considered Good)		
Security Deposits	-	5,27
Other Loans & Advances		
Amount paid (under protest) on account of ESI	-	3
Total	-	5,30

NOTE: VI INVENTORIES

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
Inventories		
a) Raw Materials	-	3,76
b) Finished Goods	-	1,86
c) Stores, Spares & Fuel (includes disposable stores)	-	10,90
Total	-	16,52

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, 2022 ₹ in Lakhs	As at 31st March 2021 ₹ in Lakhs
Unsecured, Considered good	3,89	14,14
Unsecured, Considered doubtful	-	27,84
	<u>3,89</u>	<u>41,98</u>
Less Provision for Doubtful Debts	(3,89)	(27,84)
Total	<u>-</u>	<u>14,14</u>

NOTE: VIII CASH AND BANK BALANCES

Particulars	As at 31st March, 2022 ₹ in Lakhs	As at 31st March 2021 ₹ in Lakhs
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	41	10
Cash in hand	-	2
Total	<u>41</u>	<u>12</u>

NOTE: IX SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2022 ₹ in Lakhs	As at 31st March 2021 ₹ in Lakhs
Balance with Statutory Authorities	43	1,35
Advances to Employees	-	3
Prepaid Expenses	-	22
Other Recoverables	-	64
Advances Recoverable -Arjas	2,23	-
Total	<u>2,66</u>	<u>2,24</u>

NOTE: X CURRENT TAX ASSETS (NET)

Particulars	As at 31st March 2022 ₹ in Lakhs	As at 31st March 2021 ₹ in Lakhs
Advance Tax and TDS	2,75	55
Old Income Tax	46	54
Total	<u>3,21</u>	<u>1,09</u>



NOTE: XI OTHER CURRENT ASSETS

Particulars	As at	As at
	31 st March 2022 ₹ in Lakhs	31 st March 2021 ₹ in Lakhs
Unsecured, Considered Good		
Advances to Suppliers	-	2,75
Amount receivable from PSPCL	-	21
Amount receivable from Banks and Others	-	2,00
Total	-	4,96

NOTE: XII EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2022		As at 31 st March 2021	
	Number	Amount in ₹ Lakhs	Number	Amount 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)		-		-
Forfeited Warrants (Amount paid up)		64		64
B		64		64
Total	(A+B)	14,40		14,40

a) Reconciliation of number and amount of equity shares

	As at 31 st March, 2022		As at 31 st March 2021	
	No. of Shares	Amount ₹ in Lakhs	No. of Shares	Amount ₹ in Lakhs
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).

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

Name of Equity Share Holders	As at 31 st March, 2022			As at 31 st March, 2021		
	No. of Shares	Amount ₹ in Lakhs	%	No. of Shares	Amount ₹ in Lakhs	%
1 Mr. Krishan Kumar Goyal	24,96,179	249.62	18.14	24,96,179	249.62	18.14
2 Mrs. Alka Goyal	14,88,840	148.88	10.82	14,88,840	148.88	10.82
3 Mr. Amarjit Goyal	11,89,250	118.92	8.64	11,89,250	118.92	8.64
4 M/s Nabha Commerce Pvt. Ltd.	8,37,750	83.77	6.09	8,37,750	83.77	6.09
5 Mr. Aditya Goyal	7,95,590	79.56	5.78	7,95,590	79.56	5.78
Total	68,07,609	680.75	49.47	68,07,609	680.75	49.47

f) Detail of Shareholding by Promoters

Particulars	As at 31 st March, 2022			As at 31 st March, 2021		
	Number	Amount ₹ in Lakhs	% of Total Shares of the company	Number	Amount ₹ in Lakhs	% of Total Shares of the company
Equity shares of ₹ 10 each						
Mrs. Alka Goyal	1488840	148.88	10.82%	1488840	148.88	10.82%
Mr. Krishan Kumar Goyal	2496179	249.61	18.14%	2496179	249.61	18.14%
Krishan Kumar Goyal (HUF)	546000	54.60	3.97%	546000	54.60	3.97%
Amarjit Goyal (HUF)	370000	37.00	2.69%	370000	37.00	2.69%
Mr. Amarjit Goyal	1189250	111.89	8.64%	1189250	111.89	8.64%
Mr. Aditya Goyal	795590	79.55	5.78%	795590	79.55	5.78%
Chandigarh Finance Pvt. Ltd.	380625	38.06	2.77%	380625	38.06	2.77%
Indo Pacific Finance Ltd.	680000	68.00	4.94%	680000	68.00	4.94%
Times Finvest and Commerce Ltd	234702	23.47	1.71%	234702	23.47	1.71%
Nabha Commerce Pvt. Ltd.	837750	83.77	6.09%	837750	83.77	6.09%
Total	9018936	894.83	65.55%	9018936	894.83	65.55%


g) 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, 2022 ₹ in Lakhs		As at 31 st March, 2021 ₹ in Lakhs	
Securities Premium Account		13,42		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	(1,31,30)		(1,70,40)	
Prior period items	-		47	
Add/Less: Transferred from Statement of Profit & Loss	77,50		38,63	
- Balance at the end of the year		(53,80)		(1,31,30)
Total		(15,41)		(92,91)

NOTE: XIV PROVISIONS

Particulars	As at 31 st March, 2022 ₹ in Lakhs	As at 31 st March, 2021 ₹ in Lakhs
Provision for employee benefits		
Gratuity	-	2,17
Total	-	2,17

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
A) Actuarial Assumptions		
Discount Rate (per annum)	-	6.80%
Rate of increase in compensation levels	-	3.50%
Rate of return on plan assets	-	-
Expected average remaining working {Lives of employees (year)}	-	19.57
B) Table showing changes in present value of obligations:		
Present Value of Obligation as at the beginning of the year	-	3.07
Acquisition adjustment	-	-
Interest Cost	-	21
Past Service Cost-vested	-	-
Current Service Cost	-	32
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits Paid	-	(52)
Actuarial (gain)/loss on obligations	-	13
Present Value of Obligation as at the end of the year	-	3,20

C) Actuarial Gain/Loss Recognized:		
Actuarial (gain)/loss for the year – Obligation	-	13
Actuarial (gain)/loss for the year – Plan Assets	-	-
Total (gain)/loss for the year	-	13
Actuarial (gain)/loss recognized in the year	-	13
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
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	-	3,20
Unrecognized Actuarial (gains)/losses	-	-
Net Asset/(Liability) recognized in Balance Sheet	-	3,20
E) Expenses recognized in the statement of Profit & Loss:		
Current Service Cost	-	35
Past Service Cost–vested	-	-
Interest Cost	-	22
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
F) Bifurcation of PBO at the end of year		
Current Liability (Amount due within one year)	-	1,03
Non-Current Liability (Amount due over one year)	-	2,17
Total PBO at the end of year	-	3,20

NOTE: XV OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
Securities Received	-	2
Total	-	2

NOTE: XVI SHORT TERM BORROWINGS

Secured Loan	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
Banks	-	41,91
Unsecured Loan		
- Related parties	4,52	3,24
- Others	2,52	7,71
Total	7,04	52,86



NOTE: XVII TRADE PAYABLES

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
- Dues to Micro, Small & Medium Enterprises	-	1,66
- Dues to Others	22	29,03
Total	22	30,69

**As at
31st March 2022
₹ in Lakhs**

Trade Payables aging schedule	MSME	Others	Disputed dues – MSME	Disputed dues – Others
< 1 year	-	22	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Total	-	22	-	-

NOTE: XVIII OTHER CURRENT LIABILITIES

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
Other Payables		
Advances from Customer	-	3,00
Expenses payables	4	11,71
Employee Related Payables	-	1,20
Statutory dues payables	8	1,09
Advance against BTA	-	69,80
Total	12	86,80

NOTE: XIX SHORT TERM PROVISIONS

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
Provision for Employee benefits		
Gratuity	-	1,03
Total	-	1,03

NOTE: XX REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Sale of Products	16,99	34,95
Other Operating Revenue	85,05	48,58
Revenue from Operations	1,02,04	83,53

NOTE: XXI OTHER INCOME

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
a) Interest Income	16	24
b) Other Non-Operating Incomes	79,75	1,35
c) Bad debts recovered	47	2,12
Total	80,38	3,71

NOTE: XXII COST OF MATERIAL CONSUMED

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Consumption of Scrap	2,79	15,39
Consumption of Additives	7,52	5,50
Total	10,31	20,89

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

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Opening Stock		
Finished Goods	1,85	5,63
	1,85	5,63
Closing Stock		
Finished Goods	-	1,85
	-	1,85
Total	1,85	3,78

NOTE: XXIV EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Salary Wages and Bonus	11,93	16,61
Contributions to Provident and Other Fund	1,03	1,49
Gratuity	39	53
Staff & Workers Welfare	1,70	1,60
Total	15,05	20,23

**NOTE: XXV FINANCE COST**

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Interest Expense		
Bank & Others	86	29
- Others		
Unsecured Loans	-	17
Total	86	46

NOTE: XXVI OTHER EXPENSES

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Consumption of Stores and Spares parts	21,43	13,72
Power and Fuel	39,44	30,65
Other Manufacturing Expenses	7,16	7,49
Conversion Charges	4,28	1,30
Rent	3	32
Repairs and Maintenance:		
- Building	3	2
- Machinery	21	26
- Others	1	1
Insurance	15	41
Rate & Taxes	6	7
Audit Fee	9	9
Travelling and Conveyence	19	25
Forwarding Expenses	6	20
Bad Debt written off	(46)	-
Provision for Doubtful Debts	46	5
Miscellaneous Expenses	1,49	4,67
Total	74,63	59,51

NOTE: XXVII OTHER COMPREHENSIVE INCOME

Particulars	Year ended 31 st March 2022 ₹ in Lakhs	Year ended 31 st March 2021 ₹ in Lakhs
Remeasurement of the net defined benefit liability/asset	-	13

NOTE: XXVIII CONTINGENT LIABILITIES & COMMITMENTS

Particulars	As at 31 st March 2022 ₹ in Lakhs	As at 31 st March 2021 ₹ in Lakhs
Contingent Liabilities:		
Claim against the Company not acknowledged as debts	1,91	1,91

NOTE: XXIX EARNINGS PER SHARE:

Particulars	As at	As at
	31 st March 2022	31 st March 2021
Profit / (Loss) after taxation as per Statement of profit and Loss (₹ in lakhs)	77,50	38,62
Equity shares outstanding	1,37,62,359	1,37,62,359
Basic earnings per share in rupees (face value ₹ 10/- each)	56.31	28.07
Diluted earnings per share in rupees (face value ₹ 10/- each)	-	-

NOTE: XXX PAYMENT TO AUDITORS

Particulars	As at	As at
	31 st March 2022	31 st March 2021
Payment to Auditor (Exclusive of GST)	9,35	9,16

NOTE: XXXI STATEMENT OF TURNOVER AND CLOSING STOCK

₹ in Lakhs

Particulars	Turnover	Finished Goods		Work in Process	
		Closing Stock	Opening Stock	Closing Stock	Opening Stock
Concast Billets this year	-	-	-	-	-
Previous year	-	-	-	-	-
Rolled Product this year	12				
Previous year	24,69	-	1,01	-	-
Induction Ingots this year	-				
Previous year	2,57	-	-	-	-
Auto Components this year	86				
Previous year	7,58	-	1,61	-	-
Others this year	16,01				
Previous year	2,81	-	-	-	-
Current year	16,99				
Previous year	37,65	-	2,62	-	-
Rolling Mills Material	-	-	-	-	-
Billet – Current Year					
Billet – Previous Year	-	-	-	-	1,44
Ingot – Current Year					
Ingot – Previous Year	-	-	-	-	-
Round – Current Year					
Round – Previous Year	-	-	-	-	15
ACD – Current Year					
ACD – Previous Year	-	-	-	-	1,43
Total – Current Year					
Total – Previous Year	-	-	-	-	3,02



NOTE: XXXII 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

Particulars	As at 31 st March 2022 ₹ in lakhs		As at 31 st March 2021 ₹ in lakhs	
	a) Value of Imports (CIF Basis)			
1) Raw Material	-		1,06	
2) Stores & Spares	-		68	

Particulars	As at 31 st March 2022 ₹ in lakhs		As at 31 st March 2021 ₹ in lakhs	
	%age	Value	%age	Value
b) Value of Raw Material Consumed				
Cost of Materials Consumed:				
Imported	3.69	38	10.69	2,20
Indigenous	96.31	9,93	89.31	18,39
		<u>10,31</u>		<u>20,59</u>
Store & Spares				
Imported	-	-	03.54	68
Indigenous	100	21,42	96.46	18,51
		<u>21,42</u>		<u>19,19</u>

NOTE: XXXIII 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.

NOTE: XXXIV 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.

NOTE: XXXV 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	Chandigarh Finance Pvt. Ltd.
Mr. Divnain Singh Choudhary	Nabha Commerce Pvt. Ltd.
Ms. Anjali	Mala Builders Pvt. Ltd.
Mr. Himanshu Kalra	
Ms. Deepa	

B) Transactions with the related parties(**₹** in Lakhs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel & their enterprises
Remuneration Including Perks	21 (47)	- (62)
Interest On Unsecured Loan	23 (8)	- (-)
Loan Taken	- (190)	- (-)
Loan Repaid*	- (-)	- (-)
Loan Given	- (-)	- (-)
Loan Received back	- (-)	- (-)
Interest Income	- (-)	- (-)
Share of Expenses Received	- (-)	- (44)
Share of Expenses paid	50 (-)	- (6)
Purchase of Raw Material & Stores	- (-)	- (-)
Job work paid	- (-)	- (-)
Job work received	- (-)	- (-)
Sales Of Finished Products/Assets	- (-)	431 (6)
Other Transactions (Rebate on account of quality problem)	- (-)	- (28)

NOTE: XXXVI GOING CONCERN

The company has sold its both manufacturing facilities to M/s Arjas Steel Pvt. Ltd under Business transfer agreement. Hence going concern is not applicable.

NOTE: XXXVII The ageing for the Trade payables for the financial year 2020-21 as per Schedule III of companies Act 2013 is not available with the company. Hence the same has not been reported in the financials.

NOTE: XXXVIII Figures for the previous year have been regrouped, rearranged and reclassified wherever considered necessary.



MODERN STEELS LIMITED

NOTE: XXXIX Financial Ratios

Sr No.	RATIOS	FORMULAS	2021-22	2020-21
1	CURRENT RATIO	CURRENT ASSET/CURRENT LIABILITIES	0.857	0.228
2	DEBT EQUITY RATIO	TOTAL DEBT/ SHAREHOLDER EQUITY	0.000	0.000
3	DEBT SERVICE COVERAGE RATIO	NET OPERATING INCOME/DEBT SERVICE	93.578	-37.644
4	RETURN ON EQUITY RATIO	NET INCOME/SHAREHOLDER EQUITY	-80.25	-0.49
5	INVENTORY TURNOVER RATIO	COGS/AVG INVENTORY	13.137	6.590
6	TRADE RECEIVABLE TURNOVER RATIO	NET CREDIT SALE/AVG ACCOUNT RECIEVABLE	14.429	4.249
7	TRADE PAYABLE TURNOVER RATIO	NET CREDIT PURCHASE/AVG ACCOUNT PAYABLE	0.547	0.563
8	NET CAPITAL TURNOVER RATIO	NET ANNUAL SALES / WORKING CAPITAL	-97.048	-0.631
9	RETURN ON CAPITAL EMPLOYED	EBIT/CAPITAL EMPLOYED	-79.716	0.281
10	RETURN ON INVESTMENT	NET RETURN ON INVESTMENT/ASSETS	12.166	0.406

For AARYAA & ASSOCIATES

Chartered Accountants

Firm Registration No. 015935N

CA Harsharanjit Singh Chahal

Partner

M. No. 091689

SURESH KUMAR PURI

Chief Financial Officer

DEEPA

Company Secretary

For Modern Steels Limited

KRISHAN KUMAR GOYAL

Chairman & Managing Director.

(DIN:00482035)

AVTAR KRISHAN VASHISHT

Director

(DIN: 03323142)

Place: Chandigarh

Dated: 12th August, 2022

