



Modern Steels Limited

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

Tel : +91-172-2609001, 2609002, FAX : +91-172-2609000

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

Ref: MSL/SECT/BSE/

Date: 07th December, 2021

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

SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS

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

Dear Sir(s),

The Board of Directors at their meeting held on 07th December, 2021 considered and approved the Audited Financial Results for the quarter and year ended 31st March, 2021 and cash flow statement as on 31st March, 2021 along with the Independent Auditors Report for the year ended 31st March, 2021.

We are enclosing herewith the approved financial results, cash flow statement as on 31st March, 2021 along with copy of Independent Auditors Report and Statement on Impact of Audit Qualification (for audit report with modified opinion).

This is for your information to exchange and member thereof.

Kindly take the same on record and oblige.

Thanking you

Yours truly,
For MODERN STEELS LIMITED


COMPANY SECRETARY



MODERN STEELS LIMITED
AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST MARCH 2021

Rs. In lakhs

Particulars	Quarter ended			Year ended	
	31.03.2021 Unaudited	31.12.2020 Unaudited	31.03.2020 Unaudited	31.03.2021 Audited	31.03.2020 Audited
Part I: Statement of Financial Results					
I Revenue from Operations	3,725	2,333	3,015	8,353	21,146
II Other Income	181	148	11	371	38
III Total Income (I+II)	3,906	2,481	3,026	8,724	21,184
IV Expenses					
a) Cost of material consumed	272	685	1,750	2,089	11,090
b) Changes in inventory of finished goods and work in progress	(30)	276	257	378	1,364
c) Employees benefits expense	555	516	558	2,023	2,354
d) Finance Costs	7	14	(151)	46	39
e) Depreciation	105	140	117	487	486
f) Power and fuel	1,419	902	760	3,065	4,121
g) Other expenditure	1,259	1,001	3,228	2,886	6,808
IV Total Expenses	3,586	3,534	6,519	10,974	26,262
V. Profit/(Loss) before Exceptional Items (III-IV)	320	(1,053)	(3,493)	(2,250)	(5,078)
VI. Exceptional items	6,112	-	138	6,112	138
VII. Profit / (Loss) from Ordinary Activities before tax (V-VI)	6,432	(1,053)	(3,355)	3,862	(4,940)
VIII. Tax expense:	-	-	-	-	-
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)	6,432	(1,053)	(3,355)	3,862	(4,940)
X. Profit/Loss from discontinued operations	-	-	-	-	-
XI. Tax expenses of discontinued operations	-	-	-	-	-
XII. Profit / loss from discontinued operations (X-XI)	-	-	-	-	-
XIII. Net Profit/Loss for the period (XI-XII)	6,432	(1,053)	(3,355)	3,862	(4,940)
XIV Other Comprehensive Income	-	-	-	-	-
A (i) Items that will not be reclassified to profit and loss	-	-	1	-	1
(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
B (i) Items that will be reclassified to profit and loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-
XV Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive Income for the period.	6,432	(1,053)	(3,354)	3,862	(4,939)
XVI. Paid-up equity share capital	1,440	1,440	1,440	1,440	1,440
XVII. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(9,292)	(13,201)
XVIII EPS after Extraordinary items for the period and for the previous year (not to be annualised)					
i) Basic EPS	46.74	(7.65)	(24.38)	28.07	(35.90)
ii) Diluted EPS	46.74	(7.65)	(24.38)	28.07	(35.90)

For and on behalf of the Board of Directors



Satish Kapoor
SATISH KUMAR KAPOOR
 Director
 DIN: 00009122

Place: Chandigarh
 Date: 07.12.2021

Notes to the Financial Results :

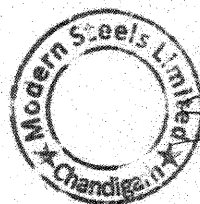
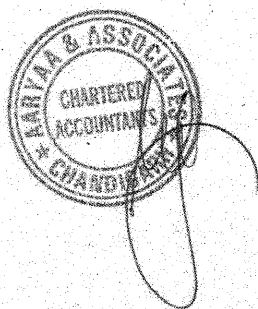
1. The Company is engaged only in the business of Steel Manufacturing which is the reportable segment in accordance with the requirements of Indian Accounting Standards (IndAS) – 108 on operating segments as prescribed under the Companies (Indian Accounting Standards) rules 2015 as prescribed under section 133 of The Companies Act 2013.
2. Company has settled loan assigned to Edelweiss for the loans of SBI and Canara Bank for Rs. 75Cr. The excess provision in the books of account and the amount settled has been shown as gain under exceptional items.
3. The Company's accounts with lenders have become non-performing assets (NPA) hence interest amounting to Rs.117 lacs for the quarter ended 31.03.2021 and Rs 592 lacs for the twelve months ended on 31st March 2021 were not provided. The financial results are affected to the same extent.

The company has again proposed to PNB for One Time Settlement (OTS) which is still under consideration.

4. The company has paid managerial remuneration of Rs.2.75lakhs for the year ended 31st March 2021. As per revised guidelines, the company is yet to take the approval of AGM and Lenders.

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

5. The company has been continuously making efforts to resolve the debts with its lenders. Keeping in view the favorable market conditions and good order position the company has prepared the financial results on the basis of going concern assumptions.
6. The financial results of Modern Steels Limited ('MSL', or 'the Company') for the quarter and year ended 31st March,2021 have been reviewed by the Audit Committee subsequently approved at the meeting of Board of Directors held on 07th December, 2021.
7. The Statutory auditors of the company have carried out an audit of the financial results for the year ended 31st March, 2021 and have issued modified report. The audit report is available on the company's website at www.modernsteels.com
8. The figures of the previous period have been reclassified/rearrange/regrouped wherever necessary to conform to current period's figures.



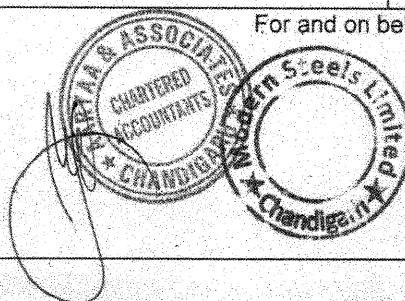
Satish Kapoor

Notes:-

1.Statement of Assets & Liabilities as on 31st March 2021

Particulars	Rs. in lakhs	
	As at 31st March 2021 Audited	As at 31st March 2020 Audited
A ASSETS		
1 Non-Currents Assets		
Fixed Assets		
a) Property, plant and equipment	4,991	5,448
b) Capital work-in-progress	67	28
c) Other Intangible Assets	8	9
d) Investments	3	3
e) Other non-current assets	530	532
Sub-total-Non Current Assets	5,599	6,019
2 Current Assets		
a) Inventories	1,651	1,978
b) Financial Assets		
(i) Trade Receivables	1,414	2,517
(ii) Cash and cash equivalents	12	20
(iii) Short Term advances	333	226
c) Other Current Assets	496	507
Sub-total- Current Assets	3,907	5,248
TOTAL ASSETS	9,506	11,267
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	1,440	1,440
(b) Other Equity	(9,292)	(13,201)
Sub-total-Shareholders funds	(7,852)	(11,761)
2 LIABILITIES		
Non-current-liabilities		
(a) Provisions	217	232
(b) Other non-current liabilities	2	2
Sub-total-Non current liabilities	219	234
3 Current Liabilities		
(a) Financial liabilities		
(i) Trade payables	3,069	3,008
(ii) Other financial liabilities	5,287	18,464
(b) Other current liabilities	1,700	1,248
(c) Short term provisions	103	75
(d) Advance Against BTA	6,979	
Sub-total- Current liabilities	17,139	22,794
TOTAL EQUITY AND LIABILITIES	9,506	11,267

For and on behalf of the Board of Directors



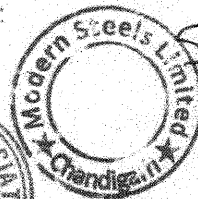
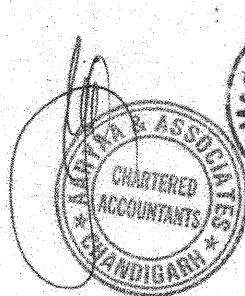
Satish Kapoor
SATISH KUMAR KAPOOR
Director
DIN: 00009122

Place: Chandigarh
Date: 07.12.2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

Rs. in lakhs

Particulars	31st March 2021		31st March 2020	
	₹		₹	
A. Cash Flow from Operating Activities :				
Net Profit/(Loss) after tax		(2,262)		(5,078)
Adjusted for :				
i. Depreciation	487		486	
ii. Loss on Sale of Fixed Assets	-		0	
ii. Capital Reserve	-			
ii. Exceptional Items	6,125			
iii. Prior period adjustments	47		141	
iv. Finance Cost	46		39	
v. Interest Income	(24)	6,680	(36)	630
Operating profit before working Capital Changes		4,418		(4,448)
Adjusted for :				
i. Inventories	327		2,129	
ii. Trade & Other receivables	951		3,085	
iii. Trade Payable & Other Liabilities	7,521		(648)	
		8,800		4,566
Cash Generated from Operations		13,218		118
i. Taxes Paid		55		11
Net Cash outflow from Operating Activities (A)		13,273		129
B. Cash Flow from Investing Activities				
i. Purchase of Fixed Assets		(68)		(31)
ii. Sale/Adjustments of Fixed Assets/ others		2		1
iii. Purchase/Sale of Investment		-		-
iv. Interest Income		24		36
v. Increase(Decrease) in Bank balances not considered as cash and cash equivalents		-		-
Net Cash used In Investing Activities (B)		(43)		6
C. Cash Flow from Financing Activities				
i. Net Increase(Decrease) in other financial liabilities		(13,176)		(227)
ii. Net Increase(Decrease) in Liabilities/Provisions		(15)		38
iii. Finance Cost		(46)		(36)
Net Cash from Financing Activities (C)		(13,237)		(227)
Net increase/decrease in Cash & Cash Equivalents (A+B+C)		(7)		(92)
Cash & Cash Equivalents as on 1st April 2020		20		111
Cash & Cash Equivalents as on 31 March 2021		12		20
Reconciliation of Cash and Bank balances with Balance Sheet				
Cash and Bank balances as per Balance Sheet		12		20
Less Bank balances not considered as Cash and Cash equivalents				
Cash & Cash equivalents as on 31st March 2021		12		20



Satish Kapoor

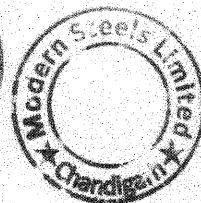
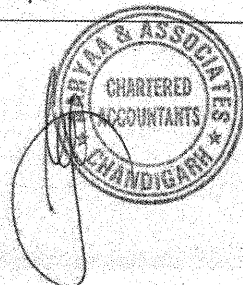
ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (*Standalone and Consolidated separately*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021.

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	8,724	8,724
	2.	Total Expenditure	(10,974)	(10,974)
	3.	Exceptional Items	6,112	6,112
	3.	Net Profit/(Loss)	3,862	3,862
	4.	Earnings Per Share	28.07	28.07
	5.	Total Assets	9506	9506
	6.	Total Liabilities	9506	9506
	7.	Net Worth	(7,851)	(7,849)
	8.	Any other financial item(s) (as felt appropriate by the management).		
II.	Audit Qualification (each audit qualification separately):			
	<p>a. Details of Audit Qualification: <i>Director's remuneration is not admissible as prescribed in Sec-197 of companies Act, 2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.</i></p> <p><i>The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration to Mr.R.K Sinha (Director) amounting to Rs. 2,75,806 (for current quarter NIL)</i></p> <p><i>Apart from the managerial remuneration for quarter ended 31st March, 2021, as mentioned above the company has paid director remuneration of Rs.2,13,49,694 till date without complying the provisions of Schedule V of the companies Act, 2013.</i></p>			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: Repetitive			



Satish Kapoor

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The company has paid Managerial Remuneration amounting to Rs.2,75,806/-, to directors for which the company is yet to receive approval from the competent authority/agency. Management undertakes that in case the approval is not received from the competent authority/agency, they shall refund the remuneration paid to them by the company. Profitability of the company shall affect to the same extent.

e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable.

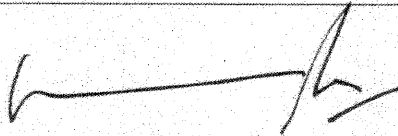
(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

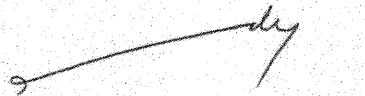
(iii) Auditors' Comments on (i) or (ii) above:

III. Signatories:

• CEO/Managing Director


Krishan Kumar Goyal

• CFO

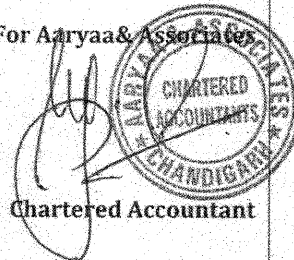

Divnain Singh Chaudhary

• Audit Committee Chairman


Satish Kumar Kapoor

• Statutory Auditor

For Aaryaa & Associates


Chartered Accountant

Place: Chandigarh

Date: 07/12/2021



www.aaryaa.net

AARYAA & ASSOCIATES CHARTERED ACCOUNTANTS

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

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Mob. : +91-9814798644

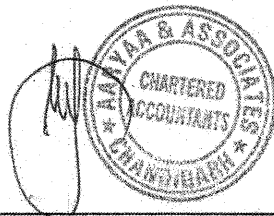
E-mail : contactus@aaryaa.net
cahchahal@aaryaa.net

Auditor's Report on Annual Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Modern Steels Limited

1. We have audited the accompanying statement of quarterly standalone financial results of Modern Steels Limited (the company) for the year ended 31st March, 2021 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016. The quarterly standalone financial results for the quarter ended March 31, 2021 and year ended March 31, 2021 have been prepared on the basis of the standalone financial results for the 9 months period ended December 31, 2020, the audited annual standalone financial statement as at and for the year ended March 31, 2021 and the relevant requirements of regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016, which are the responsibility of the company's management and have been approved by the board of directors of the company. Our responsibility is to express an opinion on these standalone financial results based on our review of these standalone financial results for the nine months period ended December 31, 2019 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS 34) Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; and our audit of the annual financial statements as at and for the year ended March 31, 2020; and the relevant requirements of regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



MOHALI : Plot No. 1632, 3rd Floor, JLPL Industrial Park, Sector-82, Mohali - 160055 (Punjab)
CHANDIGARH : Plot No. 181/33, Industrial Area, Phase 1, Chandigarh - 160 002
PANCHKULA : # 113, Tribune Mitra Vihar, Opp. Sector - 26, Panchkula - 134 113 (Haryana)

3. In our opinion and to the best of our information and according to the explanations given to us, **except** for the effects of the matter described in the **Basis for Qualified Opinion** section of our report and **Emphasis of Matters**, these quarterly financial results as well as the year to end results are presented in accordance with requirements of Regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 in this regard and give a true and fair view of total comprehensive income comprising of net profit and other comprehensive income and financial information for the quarter ended 31st March, 2021 and for the year ended March 31st, 2021.

Basis for Qualified Opinion

I. Director's remuneration is not admissible as prescribed in Sec-197 of companies Act, 2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.

The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration Mr. R.K Sinha (Director) amounting to Rs. 2,75,806 (for current quarter NIL)

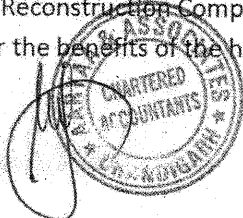
Apart from the managerial remuneration for quarter ended 31st March, 2021, as mentioned above the company has paid director remuneration of Rs. 2,13,49,694 till date without complying the provisions of Schedule V of the companies Act, 2013.

We conducted our audit in accordance with Standards on Auditing (SAs) 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 Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

EMPHASIS OF MATTER

(A) Assignment of debt of SBI and Canara Bank to ARC

Earlier, two lender banks of the company viz. State Bank of India (SBI) and Canara Bank had assigned their loans and other facilities along with underlying financial documents together with all the rights, title and interest to Edelweiss Asset Reconstruction Company Limited, acting in its capacity as trustee of the EARC Trust- SC 306 for the benefits of the holders of the Security Receipts issued by the trustee there under.



Total outstanding debts of Edelweiss Asset Reconstruction Company (against debts of SBI and Canara Bank assigned in previous year) stood at Rs.1,35,70,06,116 as on 31.03.2020. During the year, same has been settled for Rs 75,00,00,000 and the balance amount of Rs. 60,70,06,116 has been written off through Profit & Loss Account.

Further interest due in the books amounting to Rs. 55,12,881 (not included above) on these facilities has also been written off through P&L Account.

(B) One Time Settlement (OTS) with PNB

The Accounts of company with PNB had become non-performing assets (NPA). Earlier, Punjab National Bank had approved One Time Settlement for its credit facilities. The company failed to comply the term of the same & the One Time Settlement was failed. The company has again proposed to PNB for One Time Settlement (OTS) which is still under consideration.

Hence, interest amounting to Rs.117 lacs for the quarter ended 31.03.2021 and Rs. 592 lacs for the year ended on 31st March 2021 were not provided due to which the financial results are affected to the same extent and reason for the same are specified in **point C** below.

(C) Interest provisioning on facilities from Consortium banks:

The Company's various credit facilities have been declared "Non-Performing Assets" by its respective banks. There is a usual practice that banks discontinue to account for as "income" in respect to the accrued interest on such assets, subsequent to the declaration of these as "Non-performing assets". The bankers of the company too have not accounted as "income" in respect to the interest subsequent to NPA declaration date. In order to achieve the desired congruency on this issue & uncertainty of the amount liable to be paid, the management of the company has not provided for such interest.

(D) Share of Profit/Losses:

As per the mutual understanding with Arjas Steels Private limited, the operational losses of steel division from 01.11.2020 to 31.03.2021 amounting to Rs. 4.87Cr has to be borne by Arjas Steel Pvt Ltd. The same has been provided as conversion charges recoverable from Arjas Steels Pvt Ltd for the job work done for them during the said period. However, no evidence of this understanding and acceptance thereof by Arjas Steel Pvt. Ltd was produced before us. The balance of Arjas Steels Private Limited are subject to their confirmation.

Further, similarly on the basis of mutual understanding with the Modern Automotive Limited, as informed to us, an operational loss of automotive division from 01.11.2020 to 31.03.2021 has to be borne by Modern Automotive Limited. No evidence of this understanding and acceptance thereof by Modern Automotive Limited was produced before us. Accordingly, loss of Auto Component Division from 01.11.2020 to 31.03.2021 is Rs 2.13Cr. The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd. Out of these, an amount of Rs.1.68Cr has been booked as such through additional invoice and the balance of Rs.0.45cr has been provided as recoverable from Modern Automotive Ltd. The balance of Modern Automotive Limited are also subject to their confirmation.

