

A. GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

2215088, 2219616 (O)
2216589 (R)
S.C.F 50 (1st Floor)
Leela Bhawan Complex,
PATIALA - 147001

Ref. No.....

Dated.....14/8/2012.....

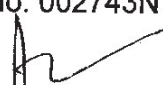
LIMITED REVIEW REPORT

**TO
THE BOARD OF DIRECTORS OF
MODERN STEELS LIMITED**

1. We have reviewed the accompanying statement of un-audited financial results of **MODERN STEELS LTD.** for the period ended **30.06.2012**. The statement is the responsibility of the company's Management and has been approved by Board of Directors. Our responsibility is to issue a report on these Financial Statements.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400 "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our Review conducted as above, nothing has come to our Notice that causes us to believe that the accompanying statement of Un-Audited Financial Results prepared in accordance with recognition and measurement principals laid down in Accounting Standards 25" interim Financial Reporting [notified pursuant to the Companies (Accounting Standard) Rule 2006] and other recognized accounting practices and policy has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, our that it contains any material misstatement.

Place: Chandigarh
Dated : 14th August, 2012

FOR A.GOEL & ASSOCIATES
CHARTERED ACCOUNTANT
Firm Regd. No. 002743N


(ASHOK GOEL)
Partner
M.No. 81342

Part II Select information for the quarter ended 30th June, 2012

Particular of shareholding				
Public shareholding				
- Number of shares	4743423	4743423	4743423	4743423
- Percentage of shareholding	38%	38%	38%	38%
Promoters and promoter group shareholding				
a) Pledged/Encumbered				
- Number of shares	NIL	NIL	NIL	NIL
b) Non-encumbered				
- Number of shares	7848936	7848936	7848936	7848936
- Percentage of share (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
- Percentage of share (as a % of the total share capital of the Company)	62%	62%	62%	62%

Investor complaints

Quarter ended 30th June, 2012

Pending at the beginning of the quarter

Nil

Received during the quarter

8

Disposed off during the quarter

8

Remaining unresolved at the end of the quarter

Nil

Notes:

1. As per Accounting Standard - 17 "Segment Reports" the Company is engaged in steel products only, hence no segment reporting is required.
2. The Auditors have carried out a Limited Review of the financial Results for the quarter ended 30th June, 2012.
3. Previous Year' figures have been recasted / regrouped / restated wherever necessary.
4. Deferred tax provision has been made on quarterly basis instead of yearly basis as in the last year. Figures for previous quarters have been worked out accordingly.
5. The above results were taken on record at the Board Meeting held on 14th August, 2012.

For and on behalf of the Board of Directors

(Signature)

(P. L. Talwar)

(Whole Time Director)

Place : Chandigarh

Dated: 14th August, 2012



MODERN STEELS LIMITED

Corporate Office : SCO 98-99, Sub City Centre, Sector 34, Chandigarh - 160 022
Registered Office & Works : G.T. Road, Mandi Gobindgarh (Punjab) - 147 301

UNAUDITED FINANCIAL RESULTS (REVIEWED) FOR THE FIRST QUARTER ENDED 30TH JUNE, 2012

₹ in Lacs

PARTICULARS	Quarter Ended			Year Ended
	30.06.2012 Unaudited	31.03.2012 Unaudited	30.06.2011 Unaudited	31.03.2012 Audited
Part-I: Statement of financials results				
Income from operations				
a) Net Sales/Income from Operations (Net of excise duty)	7606	7808	8747	33732
b) Other Operating Income	-	22	12	64
Total income from operations (net)	7606	7830	8759	33796
Expenses				
a) Cost of material consumed	5361	5646	5332	21952
b) Changes in inventory of finished goods and work in progress	(138)	(382)	464	702
c) Employees benefits expense	334	372	326	1376
d) Depreciation	114	83	119	441
e) Other expenditure	2192	2279	2199	9168
Total expenses	7863	7998	8440	33639
Profit/(Loss) from operations before other income, finance costs and exceptional items	(257)	(168)	319	157
Other income	124	98	70	342
Profit/(Loss) from ordinary activities before finance cost and exceptional items	(133)	(70)	389	499
Finance costs	559	402	336	1924
Profit/(Loss) from ordinary activities after finance costs but before exceptional items	(692)	(472)	53	(1425)
Exceptional items	-	-	-	-
Profit/(Loss) from ordinary activities before tax	(692)	(472)	53	(1425)
Tax expense				
- Current	-	-	17	2
- Deferred Tax liability (asset)	(227)	(153)	30	(445)
- Previous Year Tax adjustment	-	(1)	-	(1)
Add: MAT Tax Asset	-	-	-	-
Net Profit/(Loss) from ordinary activities after tax	(465)	(318)	6	(981)
Extraordinary Item (net of tax expense)	-	-	-	-
Net Profit/(Loss) for the period	(465)	(318)	6	(981)
Paid-up equity share capital	1259	1259	1259	1259
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	3470
Earnings Per Share (EPS)				
a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(3.69)	(2.53)	0.05	(7.79)
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(3.69)	(2.53)	0.05	(7.79)