



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: 25th July, 2017

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

Kind Attn. : Mr. Rakesh Parekh- Special Assistant, Listing Compliance

Reference: Your query received by email dated 10.07.2017 regarding discrepancies in the Financial Results for the Quarter/year ended 31.03.2017.

Dear Sir,

We refer to your aforementioned email regarding declaration and Format of the Financial Results of the Company for the Quarter / year ended March, 2017.

In this regard, we herewith enclose the Audited Financial Results of the Company for the quarter & year ended March 2017 as per the prescribed revised format along with the declaration.

Further please note that there are no changes in figures in the financial results which we had submitted on 27.05.2017, only presentation has been changed as per format prescribed in Schedule III of the Companies Act, 2013.

Request you to take the same on your record.

Thanking you

Yours truly,
for **Modern Steels Limited**

(Ashish Sharma)
General Manager (Secretarial)
& Company Secretary



Modern Steels Limited

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

Ref: MSL/SECT/BSE/

Date: 17th July, 2017

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2016.

RE: Scrip Code: 513303

DECLARATION

Dear Sir,

I, Dildar Singh Gill, Director of Modern Steels Limited (the Company) having its Registered office at: G.T. Road, Mandi Gobindgarh (Punjab), hereby declare that the Statutory Auditors of the Company, M/s. Aarya & Associates (Regn. No. 0015935N) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company for the quarter and financial year ended 31st March, 2017.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Thanking you

Yours truly,
for Modern Steels Limited

(Dildar Singh Gill)

Director

DIN: 00211236



MODERN STEELS LIMITED

CIN : L27109PB1973PLC003358

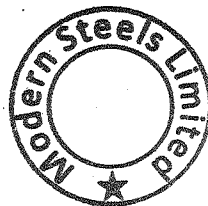
Corporate Office : SCO 98-99, Sub City Centre, Sector 34, Chandigarh-160 022

Registered Office & Works : G.T. Road, Mandi Gobindgarh (Punjab) - 147 301

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2017

Rs. in lacs

| Particulars | Quarter ended | | | Year ended | |
|---|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | 31.03.2017 Audited | 31.12.2016 Unaudited | 31.03.2016 Audited | 31.03.2017 Audited | 31.03.2016 Audited |
| Part I: Statement of Financial Results | | | | | |
| Income from Operations | | | | | |
| I. Revenue from Operations | 7,646 | 7,642 | 6,738 | 31,504 | 26,925 |
| II. Other Income | 89 | 50 | 47 | 255 | 206 |
| III. Total Revenue (I + II) | 7,735 | 7,692 | 6,785 | 31,759 | 27,131 |
| IV. Expenses: | | | | | |
| a) Cost of material consumed | 4,553 | 4,436 | 3,112 | 17,310 | 13,832 |
| b) Changes in inventory of finished goods and work in progress | (229) | (271) | 431 | (98) | (260) |
| c) Employees benefits expense | 587 | 479 | 449 | 1,993 | 1,768 |
| d) Finance Cost | 29 | 585 | 720 | 1,805 | 2,713 |
| e) Depreciation | 135 | 132 | 131 | 535 | 539 |
| f) Other expenditure | 3,081 | 2,886 | 2,505 | 11,775 | 10,263 |
| Total Expenses | 8,157 | 8,247 | 7,348 | 33,321 | 28,855 |
| V. Profit/(Loss) before Exceptional and extraordinary Items and Tax (III - IV) | (422) | (555) | (563) | (1,562) | (1,724) |
| VI. Exceptional items | - | - | - | - | - |
| VII. Profit/(Loss) before extraordinary Items and Tax (V - VI) | (422) | (555) | (563) | (1,562) | (1,724) |
| VIII. Extraordinary Item (Reversal of previous quarters interest) | (1,504) | - | - | (1,504) | - |
| IX. Profit/(Loss) before Tax (VII - VIII) | 1,082 | (555) | (563) | (58) | (1,724) |
| X. Tax expense: | | | | | |
| - Current Tax | - | - | - | - | - |
| - Deferred Tax | - | - | - | - | 1,634 |
| XI. Profit / (Loss) for the period from continuing operations (IX-X) | 1,082 | (555) | (563) | (58) | (3,358) |
| XII. Profit / (Loss) from discontinuing operations | - | - | - | - | - |
| XIII. Tax expense of discontinuing operations | - | - | - | - | - |
| XIV. Profit / (Loss) from discontinuing operations (after tax) (XII-XIII) | - | - | - | - | - |
| XV. Profit / (Loss) for the period (XI + XIV) | 1,082 | (555) | (563) | (58) | (3,358) |
| 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 | - | - | - | (2,481) | (2,424) |
| XVIII. Earnings per share | | | | | |
| i) Basic | 7.86 | (4.03) | (4.09) | (0.42) | (24.40) |
| ii) Diluted | 7.86 | (4.03) | (4.09) | (0.42) | (24.40) |



| Notes:- | | | |
|---|-------------------------------------|-------------------------------------|---------------|
| 1. Statement of Assets & Liabilities as on 31st March, 2017 | | | |
| Particulars | Year ended 31.03.2017 Audited | ₹ in lacs | |
| | | Year ended 31.03.2016 Audited | |
| A. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| a) Capital | 1,440 | | 1,440 |
| b) Reserves and Surplus | (2,481) | | (2,424) |
| Sub-total - Shareholding funds | (1,041) | | (984) |
| Non - current liabilities | | | |
| a) Long-term borrowings | 8,592 | | 7,059 |
| b) Other long-term liabilities | 4 | | 4 |
| c) Long-term provisions | 180 | | 160 |
| Sub-total - Non-current liabilities | 8,776 | | 7,223 |
| Current liabilities | | | |
| a) Short-term borrowings | 10,030 | | 9,804 |
| b) Trade payables | 4,553 | | 3,058 |
| c) Other current liabilities | 1,123 | | 2,984 |
| d) Short-term provisions | 72 | | 71 |
| Sub-total - Current liabilities | 15,778 | | 15,917 |
| TOTAL - EQUITY AND LIABILITIES | 23,513 | | 22,156 |
| B. ASSETS | | | |
| Non-current assets | | | |
| a) Fixed assets | 6,823 | | 7,290 |
| b) Non-current investments | 3 | | 485 |
| c) Long term loans and advances | 874 | | 874 |
| Sub-total - Non-Current assets | 7,700 | | 8,649 |
| Current Assets | | | |
| a) Inventories | 5,827 | | 5,956 |
| b) Trade receivables | 8,343 | | 6,553 |
| c) Cash and cash equivalents | 1,136 | | 459 |
| d) Short Term Loan and Advances | 447 | | 454 |
| e) Other current assets | 60 | | 85 |
| Sub-total - Current assets | 15,813 | | 13,507 |
| TOTAL ASSETS | 23,513 | | 22,156 |

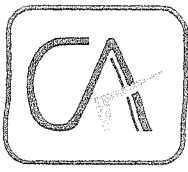


Baldev Singh

2. The financial results of Modern Steels Limited ('MSL', 'the Company') for the quarter and year ended 31st March, 2017 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 27th May, 2017.
3. The figures for the quarter ended 31st March, 2017 as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management.
4. The Company is primarily engaged in the business of steel products only which is a single primary reportable segment as per Accounting Standard 17, Segment Reporting as specified in the Companies (Accounting Standard) Rules, 2006.
5. The Company's account with the Lenders have become NPA. There is a usual practice that the Banks discontinue to account for as "Income" in respect of unpaid interest on such assets subsequent to the declaration of these assets as "non-performing assets". The Lenders of the Company have not accounted for as "Income" in respect to the interest on these assets subsequent to the NPA declaration date. In order to achieve the desired congruency on this issue the management of the Company have not provided for such interest on long term and short term borrowings amounting to Rs. 571 Lacs for the quarter under review, and Rs. 1504 Lacs of previous quarters (out of which Rs. 186 Lacs relates to 4th quarter of the year 2015-16). The losses incurred by the Company for the quarter under review and financial year 2015 16 and 2016-2017 are understated to the same extent.
6. The Company has submitted and pursuing with its lenders for restructuring its credit facilities including Term Loans, WCTL and FITL. The Company has requested its lenders for reschedulement of the installments of the Term Loans, WCTL and FITL. In light of the above and the expert opinion available with the Company, the Board of Directors of the Company has decided that the installments of the Term Loans already fallen due as well as falling due for repayment within one year from the end of the balance sheet date, as per existing CDR sanctions, has not been shown as current liability.
7. The figures of the previous periods/year have been regrouped/reclassified to make them comparable with those of current period/year.



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AARYAA & ASSOCIATES
CHARTERED ACCOUNTANTS

3114, Sector - 21-D, Chandigarh - 160 021

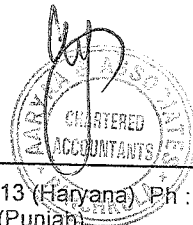
Tele : +91-172-4656223, 4676223

e-mail : services@aaryaa.net

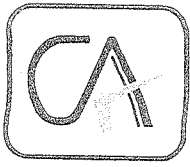
**Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To Board of Directors of Modern Steels Limited

1. We have audited the quarterly consolidated financial results of Modern Steels Limited (the company) for the year ended 31st March, 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 3 in the Annual Financial Results regarding the figures for the quarter ended 31st March, 2017 as reported in these annual financial results are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures upto the end of the third quarter of the financial year had only been reviewed and not subjected to audit. These annual financial results have been prepared on the basis of annual financial statements and reviewed quarterly financial results upto the end of third quarter, which are the responsibility of the company's management. Our responsibility is to express an opinion on these annual financial results based on our review of financial results for the nine months period ended 31st December, 2016 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) rule, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; and our audit of the annual financial statements as at and for the year ended 31st March, 2017.
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.
3. In our opinion and to the best of our information and according to the explanations given to us the annual financial results:



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CHARTERED ACCOUNTANTS

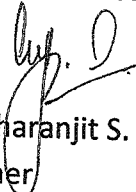
3114, Sector - 21-D, Chandigarh - 160 021

Tele : +91-172-4656223, 4676223

e-mail : services@aaryaa.net

1. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard;
2. give a true and fair view of the net loss and other financial information for the year ended 31st March, 2017.
4. We draw attention to Note V(e) & Note XXXI to the annual financial statements, which indicates :
 - a) 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 the management of the company has not provided for such interest i.e. interest on credit facilities subsequent to the date of declaration of these credit facilities as non performing. This has resulted in understatement of losses by Rs.20.74 crores and outstanding current liability has been understated by same amount.
 - b) The Company has applied and pursuing with its lenders for restructuring its credit facilities including term loans. The Company has requested its lenders for deferment of the installments of the term loan. In light of the above and the expert opinion available with the Company the Board of Directors of the Company has decided that the installments of the term loans falling due for repayment within one year from the end of the balance sheet date, as per existing CDR sanctions, has not been shown as current liability, as otherwise required as per Schedule-III under section 129 of the Companies Act, 2013. It has resulted in understatement of current liabilities by Rs. 2770.01 lacs and overstatement of long term liabilities by the same amount.

For Aaryaa & Associates
Chartered Accountants


Harsharanjit S. Chahal
Partner
M. No. 091689



Place: Chandigarh
Date: 27th May, 2017

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