

SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS

Ref: Scrip Name: MODERN STEELS LTD., Scrip Code: 513303 & ISIN: INE001F01019

Dear Sir,

We wish to inform you that the Company in its Board meeting held today, **Thursday, 30th December, 2021** at Chandigarh, considered and approved the following along with other Agenda Items:

1. Un-Audited Financial Results for the quarter and half year ended 30th September, 2021 along with Statement of Assets and Liabilities and Cash Flow Statement, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are enclosing herewith the approved Un-audited Financial Results, Statement of Assets and Liabilities, Cash Flow Statement along with copy of Limited Review Report.
2. The Debt of lender Punjab National Bank has been settled by the Company and accordingly, the Bank has issued No Dues Certificate to the Company.

Please note that the Board of Directors meeting commenced at 01:00 pm and concluded at 04.15 pm.

This is for your information and doing the needful.

Thanking you

Yours truly,

For MODERN STEELS LIMITED

Sd/-

COMPANY SECRETARY

MODERN STEELS LIMITED

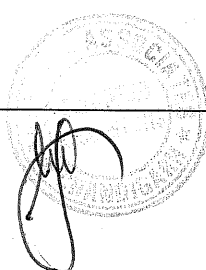
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2021

Rs. In lakhs

| Particulars | Quarter ended | | | Half Year Ended | | Year ended |
|--|---------------|--------------|--------------|-----------------|--------------|---------------|
| | 30.09.2021 | 30.06.2021 | 30.09.2020 | 30.09.2021 | 30.09.2020 | 31.03.2021 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Part I: Statement of Financial Results | | | | | | |
| I Revenue from Operations | 3,402 | 3,143 | 2,019 | 6,545 | 2,294 | 8,353 |
| II Other Income | 6 | 6 | 33 | 12 | 44 | 371 |
| III. Total Income (I+II) | 3,408 | 3,149 | 2,052 | 6,557 | 2,338 | 8,724 |
| IV Expenses | | | | | | |
| a) Cost of material consumed | 244 | 244 | 1,036 | 488 | 1,132 | 2,089 |
| b) Changes in inventory of finished goods and work in progress | (19) | 21 | 31 | 2 | 132 | 378 |
| c) Employees benefits expense | 494 | 523 | 595 | 1,017 | 952 | 2,023 |
| d) Finance Costs | 8 | 8 | 25 | 16 | 25 | 46 |
| e) Depreciation | 121 | 122 | 122 | 243 | 242 | 487 |
| f) Power and fuel | 1,431 | 1,342 | 628 | 2,773 | 743 | 3,065 |
| g) Other expenditure | 1,267 | 1,032 | 474 | 2,299 | 626 | 2,886 |
| IV Total Expenses | 3,546 | 3,292 | 2,911 | 6,838 | 3,852 | 10,974 |
| V. Profit/(Loss) before Exceptional Items (III-IV) | (138) | (143) | (859) | (281) | (1,514) | (2,250) |
| VI. Exceptional items (Reversal of interest provision) | - | - | - | - | - | 6,112 |
| VII. Profit / (Loss) from Ordinary Activities before tax (V-VI) | (138) | (143) | (859) | (281) | (1,514) | 3,862 |
| VIII. Tax expense: | - | - | - | - | - | - |
| IX. Profit / (Loss) for the period from continuing operations (VII-VIII) | (138) | (143) | (859) | (281) | (1,514) | 3,862 |
| 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) | (138) | (143) | (859) | (281) | (1,514) | 3,862 |
| 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. | (138) | (143) | (858) | (281) | (1,513) | 3,862 |
| XVI. Paid-up equity share capital | 1,440 | 1,440 | 1,440 | 1,440 | 1,440 | 1,440 |
| XVII. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | - | - | (9,292) |
| XVIII EPS after Extraordinary items for the period and for the previous year (not to be annualised) | | | | | | |
| i) Basic EPS | (1.01) | (1.04) | (6.24) | (2.05) | (11.00) | 28.07 |
| ii) Diluted EPS | (1.01) | (1.04) | (6.24) | (2.05) | (11.00) | 28.07 |

For and on behalf of the Board of Directors

Place: Chandigarh
Date: 30.12.2021



SATISH KUMAR KAPOOR
Director
DIN: 00009122

Notes to the Financial Results:

1. The Company is engaged only in the business of Steel Manufacturing which is the reportable segment in accordance with the requirements of Indian Accounting Standards (IndAS) – 108 on operating segments as prescribed under the Companies (Indian Accounting Standards) rules 2015 as prescribed under section 133 of The Companies Act 2013.
2. The Accounts of company with PNB has become non-performing assets (NPA) hence interest amounting to Rs. 126.50 lakhs for the quarter ended on 30.09.2021 was not provided due to which the financial results are affected to the same extent. 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.

3. The company has entered into Business transfer agreement with Arjas Steel Private Limited for a slump sale of its assets under the terms that the purchaser shall be outsourcing the production to job wok, considering the same, the financial statement are thus prepared on the basis of going concern assumptions and consequently assets and liabilities are being carried at their book value.
4. As per the mutual understanding with Arjas Steels Private limited, operational losses of steel division amounting to Rs. 5.18 Cr has to be borne by Arjas Steel Pvt ltd. The same has been provided as conversion charges recoverable 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 amounting to Rs. 0.53 Cr has to be borne by Modern Automotive Limited. The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd. The balance of Modern Automotive Limited are subject to their confirmation.

However, any expenses incurred at the corporate office at Chandigarh is to be borne by the modern steels ltd itself.

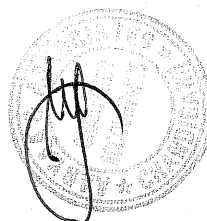
5. The financial results of Modern Steels Limited ('MSL', or 'the Company') for the quarter ended 30thSeptember,2021 have been reviewed by the Audit Committee subsequently approved at the meeting of Board of Directors held on 30th December, 2021.The statutory auditors of the company have carried out a limited review of the above financial results.
6. The Statutory auditors of the company have carried out an audit of the financial results for the year ended 30th September, 2021 and have issued modified report. The audit report is available on the company's website at www.modernsteels.com
7. The figures of the previous period have been reclassified/rearrange/regrouped wherever necessary to conform to current period's figures.



Notes:-

1. Statement of Assets & Liabilities as on 30th September 2021

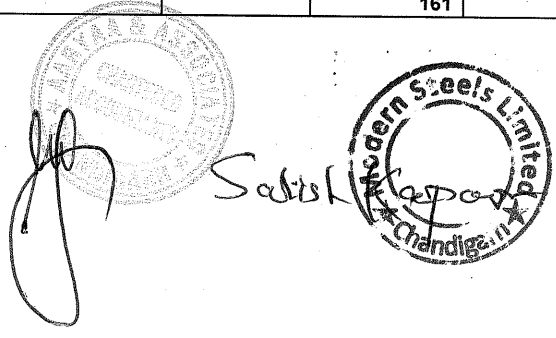
| Particulars | As at 30.09.2021 UnAudited | Rs. in lakhs |
|--|----------------------------------|--------------------------------|
| | | As at 31.03.2021 Audited |
| A ASSETS | | |
| 1 Non-Currents Assets | | |
| Fixed Assets | | |
| a) Property, plant and equipment | 4,799 | 4,991 |
| b) Capital work-in-progress | 188 | 67 |
| c) Other Intangible Assets | 9 | 8 |
| d) Investments | 3 | 3 |
| e) Other non-current assets | 530 | 530 |
| Sub-total-Non Current Assets | 5,529 | 5,599 |
| 2 Current Assets | | |
| a) Inventories | 1,923 | 1,651 |
| b) Financial Assets | | |
| (i) Trade Receivables | 1,329 | 1,414 |
| (ii) Cash and cash equivalents | 161 | 12 |
| (iii) Short Term advances | 414 | 333 |
| c) Other Current Assets | 643 | 496 |
| Sub-total- Current Assets | 4,470 | 3,906 |
| TOTAL ASSETS | 9,999 | 9,505 |
| B EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity Share capital | 1,440 | 1,440 |
| (b) Other Equity | (9,574) | (9,292) |
| Sub-total-Shareholders funds | (8,134) | (7,852) |
| 2 LIABILITIES | | |
| Non-current-liabilities | | |
| (a) Provisions | 205 | 217 |
| (b) Other non-current liabilities | 2 | 2 |
| Sub-total-Non current liabilities | 207 | 219 |
| 3 Current Liabilities | | |
| (a) Financial liabilities | | |
| (i) Trade payables | 3,279 | 3,069 |
| (ii) Other financial liabilities | 5,336 | 5,287 |
| (b) Other current liabilities | 2,217 | 1,700 |
| (c) Short term provisions | 103 | 103 |
| (d) Advance Against BTA | 6,991 | 6,979 |
| Sub-total- Current liabilities | 17,926 | 17,138 |
| TOTAL EQUITY AND LIABILITIES | 9,999 | 9,505 |



CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2021

Rs. in lakhs

| Particulars | 30th September 2021 | | 31st March 2021 | |
|--|---------------------|--------------|-----------------|-----------------|
| | ₹ | | ₹ | |
| A. Cash Flow from Operating Activities : | | | | |
| Net Profit/(Loss) after tax | | (282) | | (2,262) |
| Adjusted for : | | | | |
| i. Depreciation | 243 | | 487 | |
| ii. Exceptional items | - | | 6,125 | |
| iii. Prior period adjustments | - | | 47 | |
| iv. Finance Cost | 16 | | 46 | |
| v. Interest Income | (12) | 248 | (24) | 6,680 |
| Operating profit before working Capital Changes | | (34) | | 4,418 |
| Adjusted for : | | | | |
| i. Inventories | (272) | | 327 | |
| ii. Trade & Other receivables | (251) | | 951 | |
| iii. Trade Payable & Other Liabilities | 739 | | 7,521 | |
| | | 215 | | 8,800 |
| Cash Generated from Operations | | 181 | | 13,218 |
| i. Taxes Paid | | 109 | | 55 |
| Net Cash outflow from Operating Activities (A) | | 290 | | 13,273 |
| B. Cash Flow from Investing Activities | | | | |
| i. Purchase of Fixed Assets | | (173) | | (68) |
| ii. Sale/Adjustments of Fixed Assets/ others | | (0) | | 2 |
| iii. Purchase/Sale of Investment | | - | | - |
| iv. Interest Income | | 12 | | 24 |
| v. Increase(Decrease) in Bank balances not considered as cash and cash equivalents | | - | | - |
| Net Cash used In Investing Activities (B) | | (161) | | (43) |
| C. Cash Flow from Financing Activities | | | | |
| i. Net Increase(Decrease) in other financial liabilities | | 48 | | (13,176) |
| ii. Net Increase(Decrease) in Liabilities/Provisions | | (12) | | (15) |
| iii. Finance Cost | | (16) | | (46) |
| Net Cash from Financing Activities (C) | | 20 | | (13,237) |
| Net increase/decrease in Cash & Cash Equivalents (A+B+C) | | 149 | | 7 |
| Cash & Cash Equivalents | | 12 | | 20 |
| Cash & Cash Equivalents | | 161 | | 12 |
| Reconciliation of Cash and Bank balances with Balance Sheet | | | | |
| Cash and Bank balances as per Balance Sheet | | 161 | | 12 |
| Less Bank balances not considered as Cash and Cash equivalents | | - | | - |
| Cash & Cash equivalents | | 161 | | 12 |



 Satish



www.aaryaa.net

AARYAA & ASSOCIATES
CHARTERED ACCOUNTANTS

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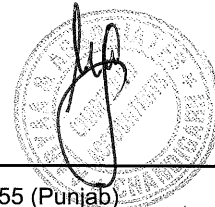
E-mail : contactus@aaryaa.net

cahchahal@aaryaa.net

LIMITED REVIEW REPORT

To,
The Board of Directors
Modern Steels Limited

1. We have reviewed the accompanying statement of un-audited financial results of **Modern Steels Limited** for the quarter ended 30th September 2021 prepared as per the applicable Indian Accounting Standards (IndAS) being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of the company's Management and has been approved by Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (IndAS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. We draw attention to the following matters:

(a) Share of Profit/Losses:

As per the mutual understanding operational losses of steel division amounting to Rs. 5.18Cr has to be borne by Arjas Steel Pvt Ltd. The same has been provided as conversion charges recoverable from Arjas Steel Pvt Ltd for the job work done for them during the said period. 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, operational losses of auto component division amounting to Rs. 0.53 Cr has to be borne by Modern Automotive Limited. No evidence of this understanding and acceptance thereof by Modern Automotive Limited was produced before us.

The same has been accounted as conversion charges income for the job work done for Modern Automotive Ltd. The balance of Modern Automotive Limited are subject to their confirmation.

However, any expenses incurred at the corporate office situated at Chandigarh is to be borne by the modern steels ltd itself.

(a) Interest provisioning on facilities from Consortium banks :

The Company's various credit facilities have been declared "Non-Performing Assets" by its respective banks. There is a usual practice that banks discontinue to account for as "income" in respect to the accrued interest on such assets, subsequent to the declaration of these as "Non-performing assets". The bankers of the company too have not accounted as "income" in respect to the interest subsequent to NPA declaration date. In order to achieve the desired congruency on this issue & uncertainty of the amount liable to be paid, the management of the company has not provided for such interest i.e. interest on the PNB outstanding subsequent to the date of declaration of these credit facilities as non-performing. Such interest amounted to Rs. 126.50 Lakhs for the Current quarter has not been provided on PNB credit facility for the current quarter which has resulted in the understatement of current liabilities and overstated the profit to that extent.

(b) One Time Settlement (OTS) with PNB

The Accounts of company with PNB has 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.



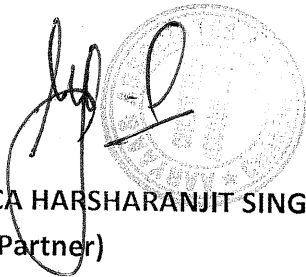
Hence, interest amounting to Rs. 126.50 lakhs for the quarter ended on 30.09.2021 was not provided due to which the financial results are affected to the same extent and reason for the same are specified already.

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

(c) Material Uncertainty related to Going-Concern

The preparation of the financial statements is done on going concern basis, consequently assets and liabilities are being carried at their book value. We draw attention to the financial statements, which indicates that the company had accumulated losses and has also incurred losses during the half year ended 30th September 2021. As on date, the Company's current liabilities exceeded its current assets and the Company's net worth has also been eroded. There are negative operating cash flows indicated by historical financial statements, adverse key financial ratios, and inability to comply with the term loan agreements. These conditions indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern. The company has entered into a business transfer agreement (BTA) for slump sale of its assets under the terms that the purchaser shall be outsourcing the production job work, considering the same.

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANT**



**CA HARSHARANJIT SINGH CHAHAL
(Partner)**

M No. 091689

Place: Chandigarh

Dated: 30.12.2021

UDIN: 21091689AAAATV2873