

# MAHAMAYA

ISO 9001 : 2008



**MAHAMAYA** STEEL INDUSTRIES LIMITED

**28<sup>th</sup> ANNUAL REPORT 2015-16**



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## COMPANY'S GENERAL INFORMATION

### BOARD OF DIRECTORS:

Mr. Rajesh Agrawal

Mrs. Rekha Agrawal

Mr. Yewesh Yede

Mr. Niraj Kansal

Mr. Manish Kumar Agrawal

Mr. Atul Garg

Managing Director

Director

Additional Director

Director

Director

Director

### COMPANY SECRETARY:

Mrs. Jaswinder Kaur Mission

### CHIEF FINANCIAL OFFICER:

Mr. Praveen Kumar Chavda

### STATUTORY AUDITOR:

M/s. R.K. Singhanian & Associates

### BANKERS:

- UCO Bank  
Mid Corporate Branch, Raipur (C.G.)
- Andhra Bank  
Fafadih Chowk, Raipur (C.G.)

### ANNUAL GENERAL MEETING:

Monday, July 11, 2016 at 11.00 am at  
B/8-9, Sector - C,  
Urla Industrial Complex,  
Sarora, Raipur - 493 221 (Chhattisgarh)

### A REQUEST

As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy to the meeting.

### REGISTERED OFFICE & WORKS:

B/8-9, Sector - C,  
Urla Industrial Area,  
Sarora, Raipur - 493 221 (Chhattisgarh)  
Telephone: +91 771 4006666 (30 Lines)  
Fax No.: +91 771 4006611  
Email: csmahamaya@gmail.com  
Website: www.mahamayagroup.in

### REGISTRAR & SHARE TRANSFER AGENT:

M/s System Support Services,  
209, Shiva Industrial Estate,  
89, Andheri Kurla Road,  
Sakinaka, Andheri (E),  
MUMBAI - 400 072

Members are requested to register their email address with the  
Depository Participants / Registrar & Share Transfer Agent



## *Managing Director's Speech*

*Dear Shareholders,*

*American motivational speaker, Robert H. Schuller's two famous quotes "Tough times never last, but tough people do." and "Problems are not stop signs, they are guidelines." have lot to guide us in these tough days. Slowing growth in some of the leading global economies impacted currencies. But, there was positive news in terms of faster-than-anticipated economic growth recovery in the United States, which provided momentum for the global economic recovery.*

*Meanwhile India's economy under the leadership of Prime Minister Shri Narendra Modi continues to be midst of a recovery with lower fiscal and current account deficit, lower inflation and weak commodity prices. Our country's growth seems poised to return to a high-growth path. It is in this context that Mahamaya Steel continues its quest for sustained growth.*

*The year also saw steep decline in the demand and pricing of steel product across the board. The financial year 2015-16 saw domestic finished steel production declining by 1.9 per cent as a substantial chunk of the incremental domestic demand was captured by the burgeoning steel imports.*

*With weak international steel prices, domestic manufacturers were reluctant to push exports, which contracted by over 27 per cent during the previous fiscal. On the raw material front, India's iron ore production grew by 23 per cent in the last fiscal, reaching 155 million tonne. It is expected to increase further this year, and prices are unlikely to recover in the near term, which would be beneficial to domestic steel mills.*

*The scenario is expected to change as recent report released in June 2016 by rating agency ICRA says that domestic steel players are likely to enjoy better profitability in the near term due to improved steel prices in the current year, supported by imposition of minimum import price (MIP) by the government. Post the operationalisation of MIP; domestic hot-rolled coil (HRC) prices have witnessed a sharp increase of about 25 per cent*



*from their lows reached in February 2016.*

*According to ICRA's research update report on the steel industry, players can see additional gains due to an increase in sales volumes, as imports are likely to reduce in the current year. Although MIP is scheduled to expire in the second quarter of the fiscal, currently buoyant international prices, along with the extension of safeguard duty (SGD) up to March 2018, will continue to help Indian steel producers.*

*Despite tough environment with the sector, the company achieved a remarkable performance on the operational front. The company has achieved a remarkable 10 per cent increase in the capacity utilisation of both divisions and 30 per cent increase in sales quantity of its main products (billets & blooms by 24 per cent, structures by 35 per cent). However, due to continuous fall in market prices of company's products the revenues from operations grew by 6 per cent. Revenues from operations for the year ended March 31, 2016 stood at Rs. 30926.31 lakhs against Rs. 29145.42 lakhs in the previous year. However due to increase in capacity utilisation by 10 per cent, the company has able to save Rs. 62.72 Lakhs on account of Operational Efficiencies in Contractor Payments and Lower Burning Loss. The year ended with huge challenges on all fronts. The performance of company drew no comfort with a 963.43 lakhs during financial year 2015-16.*

*Meanwhile, the company is replacing its induction melting furnace which will help to reduce on production cost and maintenance cost in our down time the whole work will be completed within 2-3 months this is a new technology furnace. It gives effect in power consumption which will give saving up to Rs. one crore in a year. Going forward, the company is looking to explore opportunities in the renewable energy sector by utilising close to 100 acres of land available close to company's current operations. An expert group within the organisation is being set up explore this opportunity.*

*With the current market scenario set to improve, the company has already improved our production quantity wise so that we can capture the opportunity which can directly affect our profit ratio. We are glad to inform that in the first two months of the current financial year (FY-20016-17), the company has already booked new orders of Rs 1250 lakhs .*

*Further, we also glad to inform our shareholders that our company has been awarded for "up scaling energy efficient production and implementation of energy efficient technology by UNDP.*

*I extend my sincere thanks to the Board of Directors, Management and each & every person of Mahamaya Group.*

*To Shareholders, on behalf of Board I thank you for your continued support and look forward to a positive 2016-17 and beyond.*

*With best regards:*

***Rajesh Agrawal***

***Managing Director***

**NOTICE****Mahamaya Steel Industries Limited**

(CIN: L27107CT1988PLC004607)

**Regd. Office:**

B/8-9, Sector - C, Urla Industrial Area,  
Sarora, Raipur - 493 221, Chhattisgarh  
Tel. : +91 771 4006666 (30 Lines)  
Fax No. : +91 771 4006611  
Email : csmahamaya@gmail.com  
Web. : www.mahamayagroup.in

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of the Mahamaya Steel Industries Ltd will be held on Monday, 11<sup>th</sup> July, 2016 at 11.00 am at Registered Office at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (Chhattisgarh) to transact the following business:

**Ordinary Business:**

1. To consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rekha Agrawal (DIN: 00597156) who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the Appointment of Statutory Auditors.

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. R.K. Singhania & Associates, Chartered Accountants, Raipur (Firm Registration No. 004435C), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial Year 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors."

**Special Business:**

4. To appoint Mr. Yewesh Yede as a Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Yewesh Yede (DIN: 07275526) who was appointed as an Additional Director of the Company with effect from 26<sup>th</sup> September, 2015 by the Board of

Directors pursuant to Section 161 of the Companies Act, 2013 ("the Act") and who holds office as such up to the date of this Annual General Meeting has submitted a declaration that he is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) including out of pocket expenses if any plus service tax as applicable, to be paid to M/s. S.C. Mohanty & Associates, (Firm Registration No.00114), Cost Auditors of the Company, for the financial year 2016-17, as approved by the Board of Directors of the Company, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") and SEBI (LODR) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to authorize the management of the Company to enter into below mentioned transactions, with Abhishek Steel Industries Limited, Shree Shyam Sponge & Power Limited, Devi Iron & Power Private Limited and Rajesh Agrawal HUF 'Related Parties' as defined under Section 2(76) of the Act and SEBI (LODR) Regulations 2015 and such other transactions as required in connection to efficiently carry out the operations of the Company from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017.

**(A) Sale, Purchase & Services to be received from Abhishek Steel Industries Limited (Limit of Rs. 350 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

- a) Purchase and Sale of Blooms, Billets, Sponge Iron, Pig Iron, End Cutting, Joist, Channel, M.S. Angle, Scrap, Coal or any other goods.
- b) Conversion of Blooms and Billets in to Steel Structures.
- c) All other types of services to be received in connection with the business of the Company.

**(B) Sale and Purchases to be done with Devi Iron & Power Private Limited (Limit of**



**Rs. 300 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

- a) Purchase of Blooms, Billets, Sponge Iron, Pig Iron, End Cutting, Scrap, Coal or any other goods.
- b) Sale of Coal or any other goods

**(C) Sale and Purchases to be done with Shree Shyam Sponge & Power Limited (Limit of Rs. 150 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

- a) Purchase of Blooms, Billets, Sponge Iron, Pig Iron, End Cutting, Scrap, Coal or any other goods.
- b) Sale of Coal or any other goods

**(D) Transportation Services to be received from Rajesh Agrawal HUF (Limit of Rs. 5 Crore 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

Transportation Services to be received from Rajesh Agrawal HUF

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board

Rajesh Agrawal  
Managing Director

**Place:** Raipur  
**Date:** 15<sup>th</sup> June, 2016

**NOTES:**

1. The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies etc, must be supported by an appropriate resolution/authority as applicable.

3. The Members/Proxies/Representatives are requested to bring the duly filled and signed Attendance Slip enclosed in the Annual Report for attending the Meeting.
4. In case of Joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
5. Bodies corporate whether a company or not, who are members, may attend through their authorized representatives appointed under section 113 of the Companies Act, 2013. A copy of authorization letter should be deposited with the Company.
6. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is M/s System Support Services having its Registered Office at 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072.
7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books will remain closed from 5<sup>th</sup> July, 2016 to 11<sup>th</sup> July, 2016 (both days inclusive).
8. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued Circulars allowing companies to send official documents to their Members electronically.

In support of the Green Initiative, the electronic copy of the Notice of the 28<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Annual Report, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for only a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 28<sup>th</sup> Annual General Meeting along with Annual Report of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Also the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website at [www.mahamayagroup.in](http://www.mahamayagroup.in).

In case if any Member does not wish to avail the service of documents through electronic mode, such Member may send a request for obtaining the Notice and Annual Report from the Company, in physical mode, by sending a request to the Company at its Registered Office address or through email at: csmahamaya@gmail.com, accordingly the company will send the same, free of cost, upon receipt of a request from such member.

Members are requested to support this Green Initiative by registering / updating their email addresses, with the Depository Participant (in case of shares held in dematerialized form) or with System Support Services (in case of shares held in physical form).

9. Pursuant to Section 124 of the Companies Act, 2013 read with the relevant Rules, all unclaimed / unpaid dividend remaining unclaimed / unpaid with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid account, will be transferred to the Investors Education and Protection Fund set up by the Central Government. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrants are not encashed so that fresh / re-validated warrants could be issued by the Company.

Below are the last due dates for claiming the unclaimed and unpaid dividends declared by the Company for the year 2008-09 and 2009-10 and thereafter to IEPF:

<b>Financial Year</b>	<b>Date of declaration of Dividend</b>	<b>Last date for claiming unpaid dividend</b>	<b>Due date for transfer to the IEPF</b>	<b>Amount of Unclaimed Dividend (as on 31.03.2016) (INR)</b>
2008-09	29.09.2009	29.10.2016	30.10.2016	2,62,615
2009-10	28.09.2010	28.10.2017	29.10.2017	1,98,550

10. Members can avail right of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to System Support Services at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
11. Members are requested to:
- Intimate to the Company's Registrar and Transfer Agents, System Support Services at the abovementioned address, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form.
  - Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialized form.
  - Quote their folio numbers/Client ID/DP ID in all correspondence, and
  - Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
12. Voting through electronic means:
- In compliance with the provisions of Section 108 of the Companies Act, 2013 ("the

Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on Resolutions proposed to be considered at the 28<sup>th</sup> AGM by electronic means known as remote e-voting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL). The Company also will be providing voting facility through polling paper at the Meeting and the members attending the Meeting who have not already cast their vote by remote e-voting may be able to exercise their voting right at the Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

The instructions for members for Remote e-voting electronically are as under:-

- (i) The voting period begins on 7<sup>th</sup> July, 2016 at 10.00 am and ends on 10<sup>th</sup> July, 2016 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4<sup>th</sup> July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members Holding Shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Mahamaya Steel Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

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- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. Mr. Brajesh R. Agrawal, A Practicing Company Secretary, C.P. No. 5649, Membership No. 5771 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IV. The Results shall be declared on or after the Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting (AGM) of the Company and communicated to the Stock Exchange(s).

All documents referred in the accompanying notice and the statement pursuant to Section 102(1) of the Companies Act 2013, will be available for inspection at the registered office of the Company during business hours on all working days up to the date of 28<sup>th</sup> Annual General Meeting of the Company.

**Annexure to Items 2 and 4 of the Notice**

Details of the directors seeking appointment /re-appointment in  
forthcoming Annual General Meeting  
(In Pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	<b>Mrs. Rekha Agrawal</b>	<b>Mr. Yewesh Yede</b>
Director Identification Number (DIN)	00597156	07275526
Date of Birth	22.03.1973	25.06.1980
Nationality	Indian	Indian
Date of Appointment on Board	19.06.2014	26.09.2015
Qualification	B.Sc	B.Com
Nature of Expertise	Having an experience of more than 12 years in General Administration	Having an experience of more than 14 years in Personnel and Administration
Directship in other Companies as on 31.03.2016	1. Abhishek Steel Industries Limited 2. Escort Finvest Private Limited 3. JSR Networks Private Limited 4. Callidora Traders Private Limited	NIL
Name of Committees of other Companies in which the director is a Chairman/Member as on 31.03.2016	NIL	NIL
No. of Shares held in the Company	8,95,395	NIL

Committees for the above purpose only Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee is considered.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The statement pursuant to Section 102(1) of the Companies Act, 2013 for Item Nos. 4 to 6 of the accompanying notice is as under:

**ITEM NO. 4.**

The Board of Directors at its Meeting held on 26<sup>th</sup> September, 2015, has appointed Mr. Yewesh Yede as an Additional Executive Non Independent Director of the Company with effect from 26<sup>th</sup> September, 2015. He holds office upto the date of the forthcoming Annual General Meeting of the Company pursuant to section 161 of the Companies Act, 2013 ("the Act") and Articles of the Articles of Association of the Company. The Company has received a Notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Yewesh Yede does not hold any Equity Share in the Company.

The Board is of the view that Mr. Yewesh Yede's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends his appointment to the Members.

A brief about Mr. Yewesh Yede, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding as stipulated under SEBI (LODR) Regulations, are provided in the annexure to the notice forming part of the Annual Report.

This statement may also be regarded as a disclosure under SEBI (LODR) Regulations.

Except Mr. Yewesh Yede, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**ITEM NO. 5.**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 15<sup>th</sup> June, 2016, has considered and approved the appointment of M/s. S.C. Mohanty & Associates, (Firm Registration No.00114), as the Cost Auditor of the Company for the financial year 2016-17 at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) including out of pocket expenses if any plus service tax as applicable,.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

The Resolution as at Item No. 5 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 5.

**ITEM NO. 6**



Section 188 of the Companies Act, 2013 and the rules made thereunder, every Company having Paid up Share Capital of Rs. 10 Crores or more or exceeding certain values as prescribed for making the following transactions with Related Party, requires the approval of Shareholders in General Meeting.

1. Sale , Purchase or supply of any goods or materials,
2. Selling or otherwise disposing of, or buying, property of any kind,
3. Leasing of property of any kind,
4. Availing or rendering of any services,
5. Appointment of any agent for purchase or sale of goods, materials, services or property,
6. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company and,
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Further Pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015 all material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transactions or not.

Approval is required from the Shareholders for the following Contracts/transactions to be entered in to with Abhishek Steel Industries Limited, Shree Shyam Sponge & Power Limited, Devi Iron & Power Private Limited and Rajesh Agrawal HUF (Related Parties).

**(A) Sale, Purchase & Services to be received from Abhishek Steel Industries Limited (Limit of Rs. 350 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

- a) Purchase and Sale of Blooms, Billets, Sponge Iron, Pig Iron, End Cutting, Joist, Channel, M.S. Angle, Scrap, Coal or any other goods.
- b) Conversion of Blooms and Billets in to Steel Structures.
- c) All other types of services to be received in connection with the business of the Company.

**(B) Sale and Purchases to be done with Devi Iron & Power Private Limited (Limit of Rs. 300 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

- a) Purchase of Blooms, Billets, Sponge Iron, Pig Iron, End Cutting, Scrap, Coal or any other goods.
- b) Sale of Coal or any other goods

**(C) Sale and Purchases to be done with Shree Shyam Sponge & Power Limited (Limit of Rs. 150 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

- a) Purchase of Blooms, Billets, Sponge Iron, Pig Iron, End Cutting, Scrap, Coal or any other goods.
- b) Sale of Coal or any other goods

**(D) Transportation Services to be received from Rajesh Agrawal HUF (Limit of Rs. 5 Crore from 30<sup>th</sup> September, 2016 till 30<sup>th</sup> September, 2017)**

Transportation Services to be received from Rajesh Agrawal HUF

The Particulars of the transaction pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 are as under:

**Related Party transaction with Abhishek Steel Industries Limited**

- 1) Name of the Related Party: Abhishek Steel Industries Limited.
- 2) Name of the Director or Key Managerial Personnel who is related: Mr. Rajesh Agrawal, Managing Director and Mrs. Rekha Agrawal, Director.
- 3) Nature of Relationship: Mr. Rajesh Agrawal and Mrs. Rekha Agrawal are common Directors and shareholders in Abhishek Steel Industries Limited and the Company.

**Relative**

Mr. Ramanand Agrawal (relative of Mr. Rajesh Agrawal and Mrs. Rekha Agrawal) is Director in Abhishek Steel Industries Limited and common shareholder in Abhishek Steel Industries Limited and the Company.

Mrs. Gulab Bai Agrawal (relative of Mr. Rajesh Agrawal and Mrs. Rekha Agrawal) is common shareholder in Abhishek Steel Industries Limited and the Company.

- 4) Nature, Material terms, Monetary Value and particulars of the Contract or arrangement: All the Contracts/transactions are at best negotiated terms/market price.
- 5) Any other information relevant or important for the members to take decision on the proposed resolution - None.

**Related Party transaction with Devi Iron & Power Private Limited**

- 1) Name of the Related Party: Devi Iron & Power Private Limited.
- 2) Name of the Director or Key Managerial Personnel who is related: Mr. Rajesh Agrawal, Managing Director and Mrs. Rekha Agrawal, Director.
- 3) Nature of Relationship: Mr. Rajesh Agrawal is common director and shareholder in both the Companies, Mrs. Rekha Agrawal is common shareholder in Devi Iron & Power Private Limited and the Company.

**Relative**

Mr. Ramanand Agrawal (relative of Mr. Rajesh Agrawal and Mrs. Rekha Agrawal) is Director in Devi Iron & Power Private Limited and common shareholder in Devi Iron & Power Private Limited and the Company.

Mrs. Gulab Bai Agrawal (relative of Mr. Rajesh Agrawal and Mrs. Rekha Agrawal) is common shareholder in Devi Iron & Power Private Limited and the Company and the Company.

- 4) Nature, Material terms, Monetary Value and particulars of the Contract or arrangement: All the Contracts/transactions are at best negotiated terms/market price.
- 5) Any other information relevant or important for the members to take decision on the proposed resolution - None.

**Related Party transaction with Shree Shyam Sponge & Power Limited**

- 1) Name of the Related Party: Shree Shyam Sponge & Power Limited.

- 2) Name of the Director or Key Managerial Personnel who is related: Mr. Rajesh Agrawal, Managing Director and Mrs. Rekha Agrawal, Director.
- 3) Nature of Relationship: Mr. Rajesh Agrawal is common Director and shareholder in Shree Shyam Sponge & Power Limited and the Company and Mrs Rekha Agrawal is common shareholder in Shree Shyam Sponge & Power Limited and the Company.

**Relative**

Mr. Ramanand Agrawal(relative of Mr. Rajesh Agrawal and Mrs. Rekha Agrawal) is Director in Shree Shyam Sponge & Power Limited and common shareholder in Shree Shyam Sponge & Power Limited and the Company.

Mrs. Gulab Bai Agrawal (relative of Mr. Rajesh Agrawal and Mrs. Rekha Agrawal) is common shareholder in Shree Shyam Sponge & Power Limited and the Company.

- 4) Nature, Material terms, Monetary Value and particulars of the Contract or arrangement: All the Contracts/transactions are at best negotiated terms/market price.
- 5) Any other information relevant or important for the members to take decision on the proposed resolution - None.

**Related Party transaction with Rajesh Agrawal HUF**

- 1) Name of the Related Party: Rajesh Agrawal HUF.
- 2) Name of the Director or Key Managerial Personnel who is related: Mr. Rajesh Agrawal, Managing Director and Mrs. Rekha Agrawal, Director.
- 3) Nature of Relationship: Mr. Rajesh Agrawal is Director of the Company is Karta of Rajesh Agrawal HUF and Mrs Rekha Agrawal relative of Mr. Rajesh Agrawal.
- 4) Nature, Material terms, Monetary Value and particulars of the Contract or arrangement: All the Contracts/transactions are at best negotiated terms/market price.
- 5) Any other information relevant or important for the members to take decision on the proposed resolution - None.

The Board, therefore recommends the Special Resolution set out in Item No. 6.

By Order of the Board

Rajesh Agrawal  
Managing Director

**Place:** Raipur

**Date:** 15<sup>th</sup> June, 2016

**DIRECTORS' REPORT**

To  
The Member of  
Mahamaya Steel Industrial Limited

Dear Shareholders,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report together with audited accounts of your Company for the year ended 31<sup>st</sup> March, 2016.

**1. FINANCIAL HIGHLIGHTS**

(Rs. In Lacs)

Particulars	Standalone		Consolidated 2015-16
	2015-16	2014-15	
Sales (Net)	30926.31	29145.42	30926.31
Other Income	111.19	116.57	111.19
Total Income	31037.50	29261.99	31037.50
Profit before Interest, Depreciation & Tax	258.23	1721.85	258.23
Less: Finance Cost	944.73	752.65	944.73
Depreciation	665.69	670.32	665.69
Add: Exceptional Items	154.23	26.05	154.23
Profit/(Loss) before tax	(1197.96)	324.93	(1197.96)
Less: Previous Year Adjustment	0.00	3.38	0.00
Provision for Wealth Tax	0.00	0.00	0.00
Provision for current year Income Tax	0.00	181.66	0.00
Deferred Tax	327.40	324.93	3.38
Net Profit / (Loss) after Tax	(1525.36)	212.15	(1525.36)
Add: Balance carried from Profit & Loss A/c	0.00	0.00	0.00
Less: Provision for earlier year taxation	0.00	0.00	0.00
Net Profit after tax and adjustments	(1525.36)	212.15	(1525.36)
Dividends	-	-	-
Interim Dividend	-	-	-
Final Dividend (Proposed)	-	-	-

**2. FINANCIAL PERFORMANCE AND OPERATIONS**

Recession in steel industry saw decline a sharp decline in finished products. The average sales price of billets & blooms has been decreased by 22 percent and the average sales price structures have been decreased by 23 percent. Likewise, the prices of end cutting



(scrap) declined by 28 percent which in turn affected Company's performance and resulted in cash loss during financial year 2015-16.

Despite tough environment with the sector, the Company achieved a remarkable performance on the operational front. The Company has achieved a remarkable 10 percent increase in the capacity utilisation of both divisions and 30 percent increase in sales quantity of its main products (billets & blooms by 24 percent, structures by 35 percent). However, due to continuous fall in market prices of Company's products the revenues from operations grew by 6 percent. Revenues from operations for the year ended March 31, 2016 stood at Rs. 30926.31 lakhs against Rs. 29145.42 lakhs in the previous year.

The average sales price of billets & blooms has been decreased by 22 percent and the average sales price structures fell by 23 percent. Similarly the prices of end cutting (scrap) has decreased by 28 percent which resulted in increase in loss by Rs. 963.43 lakhs during financial year 2015-16.

On the other hand, the prices of Power and Fuel have gone up by 9.75% resulting in increase in Loss by Rs. 473.92 Lakhs. Similarly Financial Costs has been increased by Rs. 192.09 Lakhs on account of increase in Interest Rates and Employee Cost, Administrative and Selling Expenses has increased by Rs. 23.00 Lakhs and Rs. 65.96 Lakhs respectively. However due to increase in capacity utilisation by 10 per cent, the Company has able to save Rs. 62.72 Lakhs on account of Operational Efficiencies in Contractor Payments and Lower Burning Loss.

In spite of Cash Loss, the Company has timely cleared its all Statutory Dues such as Central Excise Duty, Service Tax, TDS, VAT, CST, and EPF & ESI Contributions. Also the Instalments of Term Loans from Banks and Financial Institutions has been cleared on respective due dates. Also the Company is continuously working on up gradation and modernization of Plant & Machineries.

### **3. DIVIDEND**

In view of the loss incurred by the Company, your Board of Directors do not recommend any dividend for the financial year 2015-16.

### **4. TRANSFER TO RESRVES**

In view of the loss, your Board of Directors do not appropriate any amount to be transferred to General Reserves during the year under review.

### **5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### **6. CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there are no changes in the nature of the business of the Company.

**7. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**8. SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS**

As on 31<sup>st</sup> March, 2016 the company have two associates, and do not have any subsidiary and Joint Venture Companies. In accordance with Section 129(3) of the Companies Act, 2013 we have prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further a statement containing the salient features of the financial statement of our associates in the prescribed format AOC-1 is appended as Annexure-A to the Director's Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its associates are available on our website [www.mahamayagroup.in](http://www.mahamayagroup.in). These documents will also be available for inspection during business hours at registered office of the Company.

**9. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY**

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the Company's website [www.mahamayagroup.in](http://www.mahamayagroup.in)

The Company in the ordinary course of its business, enters into transactions relating to purchase and sale of products, rendering and receiving services from its group companies who are 'Related Party' as defined under Companies Act, 2013 or rules made thereunder and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The current and the future transactions are/will be deemed to be 'material' in nature as defined in SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 as they may exceed 10 per cent of the annual turnover of the Company based on future business projections. Thus, as per SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, such transactions would require the approval of the members by way of a Ordinary Resolution.

Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure-B in Form AOC-2 and the same forms part of this report.

**10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year the company has not granted any loans, investments, guarantees and securities granted in respect of which the provisions of section 185 & 186 of the Companies Act, 2013 are applicable.

**11. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The Company does not have any employee, whose particulars are required to be given pursuant to the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto marked as Annexure - C and forms part of this report.

**12. AWARDS & RECOGNITION**

We were awarded for Upscaling Energy Efficient Production and Implementation of Energy efficient technology by UNDP at Delhi on 11.12.2015.

**13. REPORT ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with, a separate section titled Report on Corporate Governance together with a Certificate from the Practicing Company Secretary forms part of this Report.

A detailed Management Discussion & Analysis forms part of this Report.

**14. MEETINGS****Board Meetings**

During the year, Eleven Board Meetings were convened and held the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

**Audit Committee Meetings**

During the year, Ten Audit Committee Meetings were convened and held the details of which are given in the Corporate Governance Report.

**Nomination & Remuneration Committee Meetings**

During the year, Seven Nomination & Remuneration Committee Meetings were convened and held the details of which are given in the Corporate Governance Report.

**Stakeholders Relationship Committee Meetings**

During the year, Four Stakeholders Relationship Committee Meetings were convened and held the details of which are given in the Corporate Governance Report.

**15. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31<sup>st</sup> March, 2016, the Board consists of 6 members, three of whom are Executive Directors and three are Independent Directors.

## **28<sup>th</sup> Annual Report 2015-16**

The Policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 is available on our website [www.mahamayagroup.in](http://www.mahamayagroup.in). There has been no change in the Policy since the last Financial Year. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### **16. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from each Independent Directors under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

### **17. BOARD EVALUATION**

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship Committee. The Criteria applied in the evaluation process are explained in the Corporate Governance Report.

### **18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company [www.mahamayagroup.in](http://www.mahamayagroup.in)

### **19. PREVENTION OF INSIDER TRADING**

In January, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading.

The new code viz. "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Company Secretary is responsible for implementation of the Code.

All Board Directors, designated employees and connected persons have affirmed Compliance with the Code.



## **20. LISTING AGREEMENT**

The Securities and Exchange Board of India (SEBI) on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter in to the Listing Agreement within six months from the effective date. The Company entered in to Listing Agreement with BSE Limited during December 2015.

## **21. POLICIES**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our Corporate Governance Policies are available on our website ([www.mahamayagroup.in](http://www.mahamayagroup.in)). The policies are updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:

### **Whistleblower Policy (Policy on Vigil Mechanism):**

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics.

### **Nomination and Remuneration Policy:**

This Policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.

### **Related Party Transaction Policy:**

The Policy regulates all transactions between the Company and its related parties.

### **Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders:**

The Code provides the framework in dealing with securities of the Company.

### **Policy for determining materiality for disclosures:**

This Policy applies to disclosures of material events of the Company, it deals with dissemination of unpublished, price-sensitive information.

### **Document Retention and Archival Policy:**

The Policy deals with the retention and archival of Corporate Records of the Company

## **22. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Companies Act, 2013 Mr. Yewesh Yede (DIN: 07275526) was appointed as Additional Director (Executive and Non Independent) with effect from 26<sup>th</sup> September, 2015.

Yewesh Yede holds office as an Additional Director up to the date of this Annual General

## **28<sup>th</sup> Annual Report 2015-16**

Meeting. He has submitted a declaration that he is eligible for appointment and in respect of whom the Company has received a Notice in writing under section 160 of the Companies Act, 2013, proposing his candidature for the office, liable to retire by rotation.

Mrs. Rekha Agrawal (DIN 00597156), retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

Pursuant to the provisions of Section 149 of the Act, Mr. Niraj Kansal (DIN 02513034), Mr. Manish Kumar Agrawal (DIN 02822174) and Mr. Atul Garg (02822051) were appointed as Independent Directors at the Annual General Meeting of the Company held on 30th September, 2014. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Mr. Devarshi Pandey Chief Financial Officer of the Company has resigned from the Company w.e.f 23.06.2015 and in his place Mr. Parveen Kumar Chavda was appointed as Chief Financial Officer of the Company with effect from 21.12.2015

Mr. Jai Prakash Jhunjhunwala Chief Executive Officer has resigned from the Company w.e.f 21.12.2015.

Mr. Rajesh Agrawal, Managing Director, Mr. Praveen Kumar Chavda Chief Financial Officer, and Mrs. Jaswinder Kaur Mission, Company Secretary are the KMPs of the Company as per the provisions of the Act.

### **23. COMMITTEES OF THE BOARD**

Currently the Board has 3 Committees the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report Section of this Annual Report.

During the year the Company has dissolved two Committees Corporate Social Responsibility Committee and Risk Management Committee as they were no longer applicable for our Company as per Companies Act, 2013 and SEBI(LODR) Regulations 2015 respectively. Though the Company had dissolved the Committee but the Company has done always and will continue to take initiatives and support social causes like running of Schools, Social community center and will always enhance the beauty of earth by plantations and to reduce the pollution.

Further though the Company had dissolved the Risk Management Committee but the Risk Management Policy will be effective and will be overseen by the Audit Committee.

### **24. EXTRACT OF THE ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as Annexure D to the Board's Report.

### **25. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your directors make the following statement in terms of Section 134 of the Act;

**Your Directors state that:**

1. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
2. 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 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
4. the Directors have prepared the annual accounts on a 'going concern' basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. 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.

**26. AUDITORS AND AUDITOR OBSERVATION****STATUTORY AUDITOR**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s R.K. Singhania & Associates, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 26<sup>th</sup> annual general meeting (AGM) of the Company held on September 30, 2014 till the conclusion of the 30<sup>th</sup> AGM of the Company, subject to ratification of their appointment at every AGM. Accordingly, the appointment of M/s R.K. Singhania & Associates, Chartered Accountants as Statutory Auditors of the Company is placed for ratification by the Shareholders.

**STATUTORY AUDITORS' OBSERVATIONS ON STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS**

With reference to the Qualification/Observation of the Auditor in Standalone and Consolidated Audit Report, Management reply is given below:

**Regarding Electricity Duty Exemption  
Management's Reply:**

The Company is eligible for electricity duty subsidy under the Industrial Policy of the State of Chhattisgarh. In this regard Company had already filed an application to the CGM DIC and now CGM DIC had recommended same to Industry of Secretary along with all papers and documents which is well progressed and is in final stage. Therefore there is reasonable certainty regarding ultimate collection of the same. So company has recognized it in books of account in accordance with the accounting standards.

**COST AUDITOR**

The Cost Audit Records maintained by the Company in respect of its activity are required to be audited pursuant to Section 148 of the Act and the rules framed thereunder. Your Directors have on the recommendation of the Audit Committee appointed M/s S.C. Mohanty & Associates, Cost Accountants for conducting the audit of cost records of the Company for the financial year 2015-16. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification.

## **28<sup>th</sup> Annual Report 2015-16**

Accordingly, a resolution for seeking Members ratification for the remuneration payable to M/s S.C. Mohanty & Associates, Cost Auditor, is included in the Notice convening the Annual General Meeting.

### **SECRETARIAL AUDITOR**

The Board has appointed Brajesh R. Agrawal, Practising Company Secretary as the Secretarial Auditor of your Company to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure-E to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AN FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The Information on conservation of energy, technology absorption, foreign exchange earnings and out go, which is required to be given pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Account) Rules, 2014 is annexed hereto marked as Annexure-F and forms part of this report.

## **28. PAYMENT OF ANNUAL LISTING FEES**

Shares of the Company are presently listed at BSE Limited, P.J.Towers, Dalal Street, Mumbai and the Company has paid listing fee upto 31<sup>st</sup> March, 2017 in respect of above stock exchange.

## **29. GENERAL DISCLOSURE**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save or ESOS.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **30. INVESTOR RELATIONS & SERVICES**

Your Company always endeavors to keep the time of response to shareholders request / grievance at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time. The Stakeholders Relationship Committee of the Board meets periodically and reviews the status of the Shareholders' Grievances. The shares of the Company continue to be traded in electronic forum and de-materialization exists with both the depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited.

Mrs. Jaswinder Kaur Mission Compliance Officer of the Company and the Registrar M/s System Support Services are looking after the physical as well as Demat work and also

shareholders correspondence, they endeavored their best to service the Investors satisfactorily.

**31. EMPLOYEE RELATIONS**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all the employees in advancing the Company's vision and strategy to deliver good performance.

**ACKNOWLEDGMENT**

Your Directors place on record their sincere appreciation and gratitude for the assistance and generous support extended by all Government authorities, Financial Institutions, Banks, Customers and Vendors during the year under review. Your Directors wish to express their immense appreciation for the devotion, commitment and contribution shown by the employees of the Company while discharging their duties.

By Order of the Board

Rajesh Agrawal  
Managing Director

**Place:** Raipur  
**Date:** 15<sup>th</sup> June, 2016

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries: NA

Part "B": Associates and Joint Ventures

Particulars	Details of Associates	
	Mahamaya Charitable Foundation	Abhishek Steel Industries Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016
2. Shares of Associate held by the company on the year end		
No. of Equity Shares of Rs 10 each	100,000	22,69,550
Amount of Investment in Associates	10,00,000	45,39,100
Extend of Holding %	40%	28.85%
3. Description of how there is significant influence	Substantial Holding in the Company i.e. more than 20%	Substantial Holding in the Company i.e. more than 20%
4. Reason why the associate is not consolidated	Not Applicable	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	8,04,901	8,40,69,804
6. Profit/(Loss) for the year	8,966	(3,15,34,735)
i. Considered in Consolidation	3,586	(90,97,771)
ii Not Considered in Consolidation	5,380	(2,24,36,964)

- Names of associates or joint ventures which are yet to commence operations. Nil
- Names of associates or joint ventures which have been liquidated or sold during the year. Nil

FOR, MAHAMAYA STEEL INDUSTRIES LTD

FOR, R K SINGHANIA & ASSOCIATES  
Chartered Accountants  
FRN: 004435C

Sd/-  
Rajesh Agrawal  
Managing Director  
DIN 00806417

Sd/-  
Rekha Agrawal  
Director  
DIN 00597156

Sd/-  
Jaswinder kaur Mission  
Company Secretary

Sd/-  
Praveen Kumar Chavda  
CFO

Sd/-  
(Ramesh Kumar Singhania)  
Partner  
M. NO.041880



**FORM AOC-2****Particulars of Contracts/arrangements made with Related Parties**

**Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014**

**1. Details of contracts/arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended 31st March, 2016 which were not at arm's length basis.

**2. Details of material contracts/arrangements or transactions at arm's length basis:**

a)	Name(s) of the related party and nature of relationship	Abhishek Steel Industries Ltd., Shree Shyam Sponge & Power Ltd., Devi Iron & Power Pvt. Ltd. and Rajesh Agrawal HUF
b)	Nature of contracts/arrangements/ transactions	Sale, Purchase of goods and materials and Receiving or Rendering Services on arm length basis and in tune with market parameters
c)	Duration of contracts/arrangements/ transactions	30.09.2015 to 30.09.2016
d)	Salient terms of the contracts/arrangements /transactions including the value, if any	In tune with best negotiated terms/market price not exceeding 805 crores.
e)	Date(s) of approval by the Board and Shareholder	Board's approval-1 <sup>st</sup> Sept., 2015 Share- holder's approval - 26 <sup>th</sup> September, 2015
f)	Amount paid as advance, if any	34.89 Crores

By Order of the Board

Rajesh Agrawal  
Managing Director

**Place:** Raipur  
**Date:** 15<sup>th</sup> June, 2016

**Information pursuant to of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies**

**(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- a) **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

S.No.	Name of the Director	Ratio
1	Mr. Rajesh Agrawal	44.4
2	Mrs. Rekha Agrawal	-
3	Mr. Yewesh Yede*	2.81
4	Mr. Niraj Kansal	-
5	Mr. Manish Kumar Agrawal	-
6	Mr. Atul Garg	-

The ratio is on monthly salary basis further

\*Mr. Yewesh Yede appointed as Director w.e.f 26<sup>th</sup> September, 2015.

- b) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :**

During the year 10% increase in remuneration of Mr. Yewesh Yede, Additional Executive Director and Mrs. Jaswinder Kaur Mission, Company Secretary was done.

- c) **The percentage increase in the remuneration of employee(s) in the financial year:**

10% increase in remuneration of all the Employees was done during the year.

- d) **The number of permanent employees on the role of the Company :**

327 Employees as on 31<sup>st</sup> March, 2016.

- e) **The explanation on the relationship between average increase in remuneration and Company performance :**

The remuneration is not solely based on Company performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. All these factors are considered by Nomination and Remuneration Committee and the Board.

- f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :**

The remuneration is not solely based on Company performance but also includes various

other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. All these factors are considered by Nomination and Remuneration Committee and the Board.

- g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :**

	<b>31.03.2016</b>	<b>31.03.2015</b>
Market Capitalization (Rs. in Lacs)	10890.25	5136.40
Price Earning Ratio	-7.14	24.26

% increase in market quotation over last IPO price :

IPO for Equity Shares was made in the year 1994 with issue price of Rs. 10/- per share. The average closing price on BSE as on 31<sup>st</sup> March, 2016 was Rs. 80.25/-. The market price per share has increased by 702.5% as on 31<sup>st</sup> March, 2016.

- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :**

During the year there was 10% increase in remuneration for employees as well as managerial remuneration.

- i) The key parameters for any variable component of remuneration availed by the Directors:**

No variable component is there in the remuneration of the Directors.

- j) The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :**

The highest paid director is the Mr. Rajesh Agrawal, Managing director of the Company. No other employee was paid remuneration in excess of the highest paid director during the year.

- k) The remuneration paid to the Directors is as per the Remuneration Policy of the Company.**

By Order of the Board

Rajesh Agrawal  
Managing Director

**Place:** Raipur  
**Date:** 15<sup>th</sup> June, 2016

## FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L27107CT1988PLC004607
2.	Registration Date	23 <sup>rd</sup> May, 1988
3.	Name of the Company	MAHAMAYA STEEL INDUSTRIES LIMITED
4.	Address of the Registered office & contact details	B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur - 493 221, Chhattisgarh Tel.: +91 771 4006666, Fax: +91 771 4006611
5.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non Government Company
6.	Whether Listed Company (Yes/No)	Yes (Listed in BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	System Support Services 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai - 400 072 Tel.:022 - 2850 0835, Fax:022 - 2850 1438 E-mail : sysss72@yahoo.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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Structural Steel (Joist/Channel/Angle/HBeam)	27151	80%
2	Bloom/Billet	27142	20%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Mahamaya Charitable Foundation B/8-9, Sector-C, Sarora, Industrial Area, Raipur - 493221 Chhattisgarh	U85100CT2010NPL021722	Associate	40%	Section 2(6) of the Companies Act, 2016
2	Abhishek Steel Industries Ltd. 535-C, Urla Industrial Area, Raipur - 493221, Chhattisgarh	U27106CT2002PLC015056	Associate	28.85%	Section 2(6) of the Companies Act, 2016

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>1 Indian</b>									
a) Individual/HUF	7044517	0	7044517	51.91	6882409	0	6882409	51.72	-0.19
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2585000	0	2585000	19.05	2585000	0	2585000	19.05	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total-A(1)</b>	<b>9629517</b>	<b>0</b>	<b>9629517</b>	<b>70.96</b>	<b>9467409</b>	<b>0</b>	<b>9467409</b>	<b>70.77</b>	<b>-0.19</b>
<b>2 Foreign</b>									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total-A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (1+2)</b>	<b>9629517</b>	<b>0</b>	<b>9629517</b>	<b>70.96</b>	<b>9467409</b>	<b>0</b>	<b>9467409</b>	<b>70.77</b>	<b>-0.19</b>
<b>B.Public Shareholding</b>									
<b>1. Institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	100	100	0	0	100	100	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital	0	0	0	0	0	0	0	0	0
f) Insurance Co.	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign portfolio Corporate									

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l) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total -B(1)</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2232846	66300	2299146	16.94	1744474	66300	1810774	13.34	-3.60
b) Individual	0	0	0	0	0	0	0	0	0
l) Individual shareholders holding nominal share capital upto Rs. 2 lacs	497727	792680	1290407	9.51	648087	783080	1431167	10.55	1.04
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lacs	337230	13000	350230	2.58	860950	0	860950	6.34	3.76
c) Others	0	0	0	0	0	0	0	0	0
l) NRI (Rep)	1000	0	1000	0.01	0	0	0	0	-0.01
ii) NRI (Non Rep)	0	0	0	0	0	0	0	0	0
iii) OCB	0	0	0	0	0	0	0	0	0
iv) Foreign Bodies	0	0	0	0	0	0	0	0	0
<b>Sub-Total-B(2):-</b>	<b>3068803</b>	<b>871980</b>	<b>3940783</b>	<b>29.04</b>	<b>3253511</b>	<b>849380</b>	<b>4102891</b>	<b>30.23</b>	<b>1.19</b>
<b>Net Total (1+2)</b>	<b>3068803</b>	<b>872080</b>	<b>3940883</b>	<b>29.04</b>	<b>3253511</b>	<b>849480</b>	<b>4102991</b>	<b>30.23</b>	<b>1.19</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>12698320</b>	<b>872080</b>	<b>13570400</b>	<b>100</b>	<b>12720920</b>	<b>849480</b>	<b>13570400</b>	<b>100</b>	<b>0</b>

### ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ramanand Agrawal	2139288	15.76	2.21	2128288	15.68	0.00	-0.08
2	Ramanand Agrawal HUF	794700	5.86	0.00	794700	5.86	0.00	0.00
3	Rajesh Agrawal	899510	6.63	0.00	1084510	7.99	0.00	1.36
4	Rajesh Agrawal HUF	698047	5.14	0.00	698047	5.14	0.00	0.00
5	Gulab Bai Agrawal	1082082	7.97	0.00	1082082	7.97	0.00	0.00
6	Rekha Agrawal	777400	5.73	0.00	895395	6.60	0.00	0.87
7	Anand Kumar Agrawal	318461	2.35	0.00	117094	0.86	0.00	-1.49
8	Asha Agrawal	274517	2.02	0.00	58994	0.43	0.00	-1.59
9	Neha Agrawal	15000	0.11	0.00	13299	0.098	0.00	-0.012
10	Nitin Agrawal	16000	0.12	0.00	10000	0.07	0.00	-0.05
11	Abhishek Steel Industries Ltd.	1349000	9.94	0.00	1349000	9.94	0.00	0.00
12	Adept IT Solutions Pvt. Ltd.	636000	4.69	0.00	636000	4.69	0.00	0.00
13	JSR Networks Pvt. Ltd.	600000	4.42	0.00	600000	4.42	0.00	0.00
14	Anand Kumar Agrawal HUF	4512	0.03	0.00	0	0.00	0.00	-0.03
15	Nikita Agrawal	15000	0.11	0.00	0	0.00	0.00	-0.11
16	Ravi Agrawal	10000	0.07	0.00	0	0.00	0.00	-0.07



**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/Decrease in Promoters Shareholding during the Year			
		No. of Shares held as on 01.04.2015	% of Total Shares of the Company	No. of shares held as on 31.03.2016	% of total shares of the company	Date	Sold	Purchased	No. of Shares at the end of the Year
1	Ramanand Agrawal	2139288	15.76	2128288	15.68	01.04.15	-	-	2139288
						25.09.15	11000	-	2128288
						31.03.16	-	-	2128288
2	Ramanand Agrawal HUF	794700	5.87	794700	5.86	NO CHANGE			
3	Rajesh Agrawal	899510	6.63	1084510	7.99	01.04.15	-	-	899510
						31.12.15	-	76000	975510
						01.01.16	-	44000	1019510
						08.01.16	-	65000	1084510
						31.03.16	-	-	1084510
4	Rajesh Agrawal HUF	698047	5.14	698047	5.14	NO CHANGE			
5	Gulab Bai Agrawal	1082082	7.97	1082082	7.97	NO CHANGE			
6	Rekha Agrawal	777400	5.73	895395	6.60	01.04.15	-	-	777400
						31.12.15	-	59212	836612
						01.01.16	-	6221	842833
						08.01.16	-	52562	895395
						31.03.16	-	-	895395
7	Anand Kumar Agrawal	318461	2.35	117094	0.86	01.04.15	-	-	318461
						24.04.15	-	867	317594
						04.12.15	-	100000	217594
						18.03.16	-	100500	117094
						31.03.16	-	-	117094
8	Anand Kumar Agrawal HUF	4512	0.03	0	0.00	01.04.15	-	-	4512
						08.01.16	-	4512	0
						31.03.16	-	-	0

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9	Asha Agrawal	274517	2.02	58994	0.43	01.04.15	-	-	274517
						10.04.15	-	20516	254001
						17.04.15	-	1381	252620
						24.04.15	-	796	251824
						01.05.15	-	315	251509
						08.05.15	-	3462	248047
						31.07.15	-	3803	244244
						07.08.15	-	7160	237084
						21.08.15	-	4536	232548
						28.08.15		5500	227048
						04.09.15	-	29729	197319
						11.09.15	-	26744	170575
						18.09.15	-	3985	166590
						16.10.15	-	3521	163069
						23.10.15	-	575	162494
						27.11.15	-	21000	141494
18.03.16	-	82500	58994						
31.03.16	-	-	58994						
10	Neha Agrawal	15000	0.11	13299	0.098	01.04.15	-	-	15000
						19.02.16	-	1651	13349
						04.03.16	-	50	13299
						31.03.16	-	-	13299
11	Nitin Agrawal	16000	0.12	10000	0.07	01.04.15	-	-	16000
						18.03.16	-	6000	10000
						31.03.16	-	-	10000
12	Nikita Agrawal	15000	0.11	0	0.00	01.04.15	-	-	15000
						19.02.16	-	15000	0
						31.03.16	-	-	0
13	Ravi Agrawal	10000	0.07	0	0.00	01.04.16	-	-	10000
						19.02.16	-	10000	0
						31.03.16	-	-	0
14	Abhishek Steel Ind. Ltd.	1349000	9.94	1349000	9.94	NO CHANGE			
15	Adept IT Solutions P. Ltd.	636000	4.69	636000	4.69	NO CHANGE			
16	JSR Networks Pvt. Ltd.	600000	4.42	600000	4.42	NO CHANGE			

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2015		Shareholding at the end of the year as on 31.03.2016	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Mahalaxmi Technocast Ltd	1488587	10.97	590318	4.35
2	Acestar Infosolutions Pvt. Ltd.	560000	4.13	560000	4.13
3	Madhuresh Agrawal	NIL	NIL	429910	3.17
4	Shri Parasram Holdings Pvt. Ltd.	400	0.002	311390	2.29
5	Manoj Kumar	80922	0.59	109449	0.81
6	Kamlesh Devi Agrawal	50	0.0003	79043	0.58
7	Antriksh Commerce Pvt. Ltd.	57809	0.42	57809	0.42
8	Choice Equity Broking Pvt. Ltd.	2000	0.014	40976	0.30
9	Gyanchand Shadija HUF	28895	0.21	41350	0.30
10	Ravi Kumar Shadija	30186	0.22	30186	0.22
11	Essence Invt & Finance (P) Ltd	35700	0.26	NIL	NIL
12	Vipin Kumar	34548	0.25	NIL	NIL
13	Hem Securities Limited	4808	0.03	NIL	NIL
14	Ashlar Securities Pvt. Ltd.	13483	0.09	NIL	NIL
15	Ankit Agrawal	20450	0.15	NIL	NIL
16	Sakshi Saggar	36251	0.26	NIL	NIL
17	Sanjay Agrawal	26958	0.19	NIL	NIL

**Note:** The change in the shareholding in the above shareholders was due to buying/selling of shares by the shareholders on various dates. The Company has not allotted any shares, issued bonus/sweat equity during the year.

## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/Decrease in Directors and KMP Shareholding during the Year			
		No. of Shares held as on 01.04.2015	% of Total Shares of the Company	No. of shares held as on 31.03.2016	% of total shares of the company	Date	Sold	Purchased	No. of Shares at the end of the Year
<b>DIRECTORS</b>									
1	Rajesh Agrawal	899510	6.63	1084510	7.99	01.04.15	-	-	899510
						31.12.15	-	76000	975510
						01.01.16	-	44000	1019510
						08.01.16	-	65000	1084510
						31.03.16	-	-	1084510
2	Rekha Agrawal	777400	5.73	895395	6.60	01.04.15	-	-	777400
						31.12.15	-	59212	836612
						01.01.16	-	6221	842833
						08.01.16	-	52562	895395
						31.03.16	-	-	895395
3	Yewesh Yede	Appointed on 26.09.2015		NIL		NIL			
4	Niraj Kansal	NIL							
5	Manish Kumar Agrawal	NIL							
6	Atul Garg	NIL							
<b>KMP's</b>									
7	Jaswinder Kaur Mission (CS)	NIL							
8	Praveen Kumar Chavda (CFO)	Appointed on 21.12.2015		NIL		NIL			

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Short Term Secured Borrowings	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	12073087.00	64716590.00	620287764.00	0.00	697077441.00
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>	<b>12073087.00</b>	<b>64716590.00</b>	<b>620287764.00</b>	<b>0.00</b>	<b>697077441.00</b>
<b>Change in Indebtedness during the financial year</b>					
+Addition	5880387.00	44046022.00	6072369664.00	0.00	6122296073.00
- Reduction	13120969.00	31081273.00	6074615220.00	0.00	6118817462.00
<b>Net Change</b>	<b>(-) 7240582.00</b>	<b>12964749.00</b>	<b>(-) 2245556.00</b>	<b>0.00</b>	<b>3478611.00</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	4832505.00	77681339.00	618042208.00	0.00	700556052.00
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>	<b>4832505.00</b>	<b>77681339.00</b>	<b>618042208.00</b>	<b>0.00</b>	<b>700556052.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Executive Directors and/or Manager**

S.No.	Particulars of Remuneration	Name of MD/ED/Manager				Total
		Rajesh Agrawal Managing Director	Rekha Agrawal Executive Director	Brajendra Dwivedi Additional Executive Director (Resigned on 25.08.15)	Yewesh Yede (Appointed as Additional Executive Director w.e.f. 26.09.15)	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	48,00,000	-	24,000	1,42,600	49,66,600
	(b) Value of perquisites u/s 17(2) of Income Tax Act	-	-	16,000	-	16,000
	(C) Profits in lieu of salary u/s 17(3) of Income Tax Act	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-	-	-
5	Others, Allowances	-	-	-	-	-
	<b>Total (A)</b>	<b>48,00,000</b>	<b>-</b>	<b>40,000</b>	<b>1,42,600</b>	<b>49,82,600</b>
	<b>Ceiling as per the Act</b>					<b>60,00,000</b>

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### B. Remuneration to Other Directors

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Niraj Kansal	Manish Ku. Agrawal	Atul Garg	
1	Independent Directors				
	A. Fee for attending Board/ Committee meetings	-	-	-	-
	B. Commission	-	-	-	-
	C. Others -	-	-	-	-
	Total (B) -	-	-	-	-
	Ceiling as per the Act				60,00,000

### C. Remuneration to Key Managerial Personnel other than MD/WTD/ED/Manager

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount
		Jaswinder Kaur Mission (CS)	Praveen Kumar Chavda CFO (Appointed w.e.f 21.12.15)	Jai Prakash Jhunjunwala CEO (Resigned on 21.12.15)	Devarshi Pandey CFO (Resigned on 24.06.15)	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	420000	249187	629032	55210	1353429
	(b) Value of perquisites u/s 17(2) of Income Tax Act	312000	373780	629032	39436	1354248
	(C) Profits in lieu of salary u/s 17(3) of Income Tax Act	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-	-	-
5	Others, Allowances	61000	-	-	7887	68887
	<b>Total (C)</b>	<b>793000</b>	<b>622967</b>	<b>1258064</b>	<b>102533</b>	<b>2776564</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act)

There were no penalties, punishment or compounding of offences during the year ended March, 31, 2016.

By Order of the Board

Rajesh Agrawal  
Managing Director

Place: Raipur  
Date: 15<sup>th</sup> June, 2016



**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**To,**  
**The Members,**  
**Mahamaya Steel Industries Limited**  
**B-8&9, Sarora Industrial Area**  
**Sarora, Raipur (CG)**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Mahamaya Steel Industries Limited (hereinafter called the company) CIN No. L27107CT1988PLC004607. The Company is a Listed Public Limited Company under the Companies Act 1956/2013. 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 Company's 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 2016 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 the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and the external commercial borrowing;
- (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;

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- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - c) 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;
  - d) The Listing Agreements and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges in India.
- (vi) Secretarial Standards on Board meetings and General meetings issued by the Institute of Company Secretaries of India ('The ICSI')
- (vii) The Industrial and Labour laws consisting of The Factories Act, 1948 Industrial Relations Act, 1946, Industrial Disputes Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employees State Insurance Act, 1948, The Employees Provident Funds and Miscellaneous Provisions Act, 1952 etc.

I report that during the period under review and based on the assurances, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in 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 the directors of the Board Meetings and agenda items for the meeting 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 decisions of the Board were taken properly.

**I further report that** there are adequate system and process in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** the Company has deputed proper persons to ensure the timely compliances of labour laws applicable to the Company. However, presently there is no system for producing the status of the Compliances before the Board of Directors. It was assured by the management that steps will be taken to inform the Board about the status of compliances in future.

**I further report that** I have broadly reviewed the registers, records and returns prepared and maintained by the company in connection with the all labour laws which were applicable to the Company during the period under review and I am of the opinion that prima facie, the prescribed registers and record and returns have been made and maintained. However I, have not made a detailed examination of the same.

**It was informed** by the management that the related party transactions were on arms length basis.

**I further report that** the compliances by the Company of applicable financial laws, tax laws has not been reviewed in this Audit because the same is already subject to review by the statutory auditors and other designated professionals.

**I further report that** to the best of my information there were no issues relating to public/right/preferential issue or redemption or buy back of securities. I further report that there were no major decisions under section 180 or merger, amalgamation or reconstruction etc. or foreign technical collaborations.

**Place:** Raipur

**Date:** 28.05.2016

**Sd/-**  
**(Brajesh R. Agrawal)**  
**FCS-5771**  
**C.P. No. 5649**

**INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY**

**I. The steps taken or impact on conservation of energy :**

- Earlier we were using the Induction Furnace for Water Circulation on 50 + 40 HP, now we are using only at 50HP thereby reducing it to two Furnace and conserving energy and it will save around 22 Lacs Yearly.

**II. The steps taken by the Company for utilising alternate sources of energy :**

- We are using 20-25% SMS Billets produced by us directly in the Rolling Mills thereby saving energy and cost by implementing this direct Production method.

**III. The capital investment on energy conservation equipment :**

Oxygen Analyser and Drives - Rs. 21,50,000/-

**B. TECHNOLOGY ABSORPTION**

**I. The efforts made towards technology absorption :**

- Used other sources instead of furnace oil for heating ladle
- Use of Hot Charging for some products.
- Reduced the size of Tundish which inturn reduces the wastage of liquid metal.
- Installed Crushers for recovery of metal from waste slag.

**II. The benefits derived like product improvement, cost reduction, product development or import substitution :**

- Reduced the mill scale which alternatively reduced the burning loss.
- Reduction in energy consumption
- " Recovery of metal from waste slag

**III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :**

No such imports during the last three years

**III. The expenditure on Research & Development:**

The expenditure on Oxygen Analyser is Rs. 21,50,000/- Further the Company's products are manufactured by using in-house know how. The Company has fully absorbed the technology. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

**C. Foreign Exchange Earning and Outgo:**

Foreign Exchange Earning - NIL

Foreign Exchange Outgo - US \$ 54550 for import of consumable Stores.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Mahamaya Steel Industries manufactures MS strips, MS channels, MS Girders and MS Flats of various sizes. It is one of the few companies in the country to manufacture 600 MM joist and 250 MM angles. The Company has kept pace with modern time, by continuously modernizing its plant and equipment so that its product conforms to specification as required by different customers. The Company's future performance is closely linked to dynamic changes in the economy and global steel scenario. Here's a look at the business environment and changing steel dynamics

### **BUSINESS ENVIRONMENT**

Prime Minister Narendra Modi's leadership has seen India's economy doing better relative to other countries and much better compared with the country before Prime Minister Modi and his party took over.

First two years saw overhauling of economic policy as anticipated. In the fiscal year ended March 31, India's gross domestic product rose 7.6%, helping it overtake China as the fastest-growing big economy in the world. That's up from 6.6% in the last full fiscal year. Inflation is almost half of what it was at a couple of years ago. India's budget deficit has shrunk to 3.9% of GDP from 4.4%. Foreign-direct investment and foreign exchange reserves have reached new peaks.

Further, the government has promoted investing in infrastructure to boost GDP with a total budgetary allocation - US\$ 20.32 billion (Rs 137,333 crore) or almost 30 percent of the Union Budget.

In the last two years, the government has relaxed foreign-investment rules in more than a dozen sectors including insurance, pensions and railways, cut red tape and pushed through legislative proposals to simplify bankruptcy procedures and strengthen intellectual property rights. It has also fast-tracked road building, railway and highways expansion. It has had some big legislative failures including the inability to get lawmakers' approval for the crucial Goods and Services Tax (GST) as well as a new law to streamline the process of acquiring land for important projects.

Economic think-tank NCAE recently projected India's economic growth rate to improve marginally to 7.7 per cent in 2016-17 against the backdrop of IMD's forecast of better monsoon rains this year. The agriculture sector has witnessed feeble growth on account of drought for two successive years. The average rate of growth in the agricultural and allied sectors' GDP for 2014-15 and 2015-16 has been a low 0.5 percent. Two consecutive years of sub-par monsoon have had a significant impact on the output of both food as well as non-food crops.

The economic scenario is expected to change as India Meteorological Department (IMD) has predicted monsoon for 2016-17 at 106 percent of the Long Period Average (LPA) with a model error of 5 per cent, "which may have a positive impact on agriculture and thereby the economy.

### **STEEL INDUSTRY OVERVIEW**

Domestic finished steel production de-grew by 1.9 percent during the previous fiscal as a substantial chunk of the incremental domestic demand was captured by the burgeoning steel imports. Despite a slowdown post September-2015, India's steel imports still managed to

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register over 25 percent annual growth in the last fiscal.

Moreover, due to the weak international steel prices, domestic manufacturers were reluctant to push exports, which contracted by over 27 percent during the previous fiscal. On the raw material front, India's iron ore production grew by 23 percent in the last fiscal, reaching 155 million tonne. It is expected to increase further this year, and prices are unlikely to recover in the near term, which would be beneficial to domestic steel mills

According to a recent report released in June 2016 by rating agency ICRA, domestic steel players are likely to enjoy better profitability in the near term due to improved steel prices in the current year, supported by imposition of minimum import price (MIP) by the government. Post the operationalization of MIP, domestic hot-rolled coil (HRC) prices have witnessed a sharp increase of about 25 percent from their lows reached in February 2016. According to ICRA's research update report on the steel industry, players can see additional gains due to an increase in sales volumes, as imports are likely to reduce in the current year. Although MIP is scheduled to expire in the second quarter of the fiscal, currently buoyant international prices, along with the extension of safeguard duty (SGD) up to March 2018, will continue to help Indian steel producers.

However, the prospect of international prices declining again cannot be ruled out, given the still adverse demand- supply equation in the world, the final outcome of the anti- dumping investigations initiated by the Directorate General of Anti-Dumping and Allied Duties would be a key determinant of longer term price trends in the domestic market.

Although India's steel consumption growth improved to 4.6 percent during 2015-16 from 3.1 percent in the previous fiscal, driven by the automobile and road construction sectors, a sustained recovery in other steel intensive sectors like capital goods and infrastructure is still not in sight.

## **OPPORTUNITIES AND THREATS**

### **OUR STRENGTHS**

We believe that the factors which contribute to our strengths are our ability to adapt to the ever-changing environment, maintaining continuous growth, creating new market opportunities, efficient leadership qualities and maintaining good customer relationship.

### **THREATS AND RISKS**

Degrowth in coal production, crude oil, natural gas, petroleum refinery products and reduced electricity generation will severely affect the Steel Industry in future. If these economic conditions persist then Indian steel industries will have to face a tough situation. The year ahead appears to be challenging due to increase in competition, increasing interest rates, inflation, fluctuating markets and foreign exchange as well due to occurrence of natural calamities. The Company has to overcome these issues by upgrading the current technologies used and serving to demands made by the customers. Rising fuel prices and shrinkage of the margins, Availability of finance at reasonable interest costs, Stiff competition owing to surplus capacities, volatile foreign exchange rates, Slowdown in the demand, etc. are major threats.

### **OUTLOOK**

Long-term fundamentals of the Indian economy remain robust; however the sluggish global environment has impacted sentiments in the domestic market in the short term. But it is expected to be only a temporary phenomenon and prospects for coming times look better than last year. The rate at which there is increase in urbanisation, income and consumer demand in India, the



demand for steel will increase at a constant pace.

In order to meet the opportunities upcoming, the Company has taken several steps to ensure that there has been sufficient increase in supply and distribution of products, technology enhancement, customer engagements etc. The management strongly believes that there will be considerable improvement in the external economic environment and consistency in consumer demand in the forthcoming financial year.

## **PERFORMANCE ANALYSIS**

Recession in steel industry saw a sharp decline in finished products. The average sales price of billets & blooms has been decreased by 22 percent and the average sales price structures have been decreased by 23 percent. Likewise, the prices of end cutting (scrap) declined by 28 percent which in turn affected Company's performance and resulted in cash loss during financial year 2015-16.

Despite tough environment with the sector, the Company achieved a remarkable performance on the operational front. The Company has achieved a remarkable 10 percent increase in the capacity utilisation of both divisions and 30 percent increase in sales quantity of its main products (billets & blooms by 24 percent, structures by 35 percent). However, due to continuous fall in market prices of Company's products the revenues from operations grew by 6 percent. Revenues from operations for the year ended March 31, 2016 stood at Rs. 30926.31 lakhs against Rs. 29145.42 lakhs in the previous year.

The average sales price of billets & blooms has been decreased by 22 percent and the average sales price structures fell by 23 percent. Similarly the prices of end cutting (scrap) has decreased by 28 percent which resulted in increase in loss by Rs. 963.43 lakhs during financial year 2015-16.

On the other hand, the prices of Power and Fuel have gone up by 9.75% resulting in increase in Loss by Rs. 473.92 Lakhs. Similarly Financial Costs has been increased by Rs. 192.09 Lakhs on account of increase in Interest Rates and Employee Cost, Administrative and Selling Expenses has increased by Rs. 23.00 Lakhs and Rs. 65.96 Lakhs respectively. However due to increase in capacity utilisation by 10 percent, the Company has been able to save Rs. 62.72 Lakhs on account of Operational Efficiencies in Contractor Payments and Lower Burning Loss.

In spite of Cash Loss, the Company has timely cleared its all Statutory Dues such as Central Excise Duty, Service Tax, TDS, VAT, CST, and EPF & ESI Contributions. Also the Instalments of Term Loans from Banks and Financial Institutions has been cleared on respective due dates. Also the Company is continuously working on up gradation and modernization of Plant & Machineries.

## **INTERNAL CONTROL AND SYSTEMS**

Management firmly believes that a strong internal control system with flexibility is imperative to realize Company's vision. Accordingly the Company always gives priority to it to achieve Efficiency of Operation, Accuracy and Promptness of financial operating, Safeguard of Company assets, Compliance with laid down policies and procedures, and Compliance with rule and regulations.

## **HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONSHIP**

As on 31<sup>st</sup> March 2016, the company has 327 employees in its family. Industrial and employee relations with the Company remain cordial throughout the year. It has been with the fulfilment of our market commitments, prompt communication, and participation in social activities and to provide challenging and safe working atmosphere in the company, wherein every employee can develop his own strength and deliver his expertise in the interest of the Company.

Board of Directors on record thanks to all of the employees for their valuable contribution towards the growth of the Company. Mahamaya Steel encourages its team members to go beyond the scope of their work, undertake voluntary projects that enable to learn and contribute innovative ideas in meeting goals of the company.

## **CAUTIONARY STATEMENT**

The purpose of this Annual Report is to provide information to the members of the Company. The statements made in this report may contain certain forward looking statements regarding Company's objectives, projections, estimates and expectations. As forward looking statements are statements relating to the future the actual results could differ materially from those expressed or implied. Nothing in this Annual Report should be construed as a profit forecast.

**CORPORATE GOVERNANCE REPORT****I. COMPANY'S PHILOSOPHY**

Your Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is therefore, an important instrument of investor protection. It, therefore, continues to remain committed to a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company's philosophy on Corporate Governance is to conduct business and its dealings with all stakeholders in compliance with laws and high standard of business ethics for effective control and management system in an organization, which leads to enhancement of shareholders and other stakeholders' value. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth

**II. BOARD OF DIRECTORS****a. Composition of the Board**

The Company has an appropriate combination of Executive and Non-Executive Directors Independent Directors to maintain independence of the Board. The Directors have expertise in the fields of industry, operations, finance, legal and management. The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities.

**Structure of Board, Directorship in other Companies and Membership of Committees**

Structure of Board of Directors during the financial year 2015-16, attendance at Board meetings and Annual General Meeting (AGM) held during the said year along with requisite information in respect of Directors as per the requirements of SEBI (LODR) Regulations, 2015 is provided in the following table:

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S. No.	Name and Designation (DIN)	Category	Attendance in FY 2015-16		Number of Directorships in other Companies		Committee Membership and Chairmanship in other Companies		Share-holding in the Company
			Board Meetings (11 Meeting held)	AGM	Private	Public	Chairmanship	Membership	
1	Mr. Rajesh Agrawal Managing Director (DIN: 00806417)	Promoter and Executive	11	Yes	5	2	0	0	1084510
2	Mrs. Rekha Agrawal Director (DIN: 00597156)	Promoter and Executive	11	Yes	3	1	0	0	895395
3	Mr. Brajendra Dwivedi* Director (DIN: 07018956)	Additional Executive	4	No	0	0	0	0	0
4	Mr. Yewesh Yede** Director (DIN: 07275526)	Additional Executive	5	No	0	0	0	0	0
5	Mr. Niraj Kansal (DIN: 02513034)	Non Executive and Independent Director	11	Yes	0	1	2	0	0
6	Mr. Manish Kumar Agrawal (DIN: 02822174)	Non Executive and Independent Director	11	Yes	0	1	0	2	0
7	Mr. Atul Garg (DIN: 02822051)	Non Executive and Independent Director	11	Yes	0	1	0	2	0

\* Mr. Brajendra Dwivedi has resigned from Directorship w.e.f 25<sup>th</sup> August, 2015.

\*\* Mr. Yewesh Yede was appointed as Director w.e.f 26<sup>th</sup> September, 2015.

Committees considered are Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

### b. Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policies and strategy apart from other regular business matters. Board Meetings are usually held at the Registered Office of the Company at Raipur. During the financial year ended on 31<sup>st</sup> March, 2016, Eleven Board Meetings were held on 25<sup>th</sup> May, 2015, 30<sup>th</sup> May, 2015, 13<sup>th</sup> August, 2015, 25<sup>th</sup> August, 2015, 1<sup>st</sup> September, 2015, 26<sup>th</sup> September, 2015, 10<sup>th</sup> November, 2015, 21<sup>st</sup> December, 2015, 6<sup>th</sup> January, 2016, 28<sup>th</sup> January, 2016 and 7<sup>th</sup> March, 2016. Maximum time gap between two consecutive meetings had not exceeded 120 days.

The agenda and notes are circulated to the Directors in advance. All material information is included in the agenda for facilitating meaningful discussions at the meeting. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

Decisions taken at the Board/Committee meetings are communicated to the concerned departments. The minutes are approved by the Board/Committee at its next Meeting.

The Board periodically reviews the Compliance report pertaining to all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instance of non-compliances.

### **Disclosure of Directors' and Other Interest in Transactions with the Company**

None of the Directors, Key Managerial Personnel and Senior Management, whether they, directly, indirectly or on behalf of third parties, have had any material interest in any transaction or matter directly affecting the Company pursuant to the provisions of Regulation 4(2)(f) of the SEBI (LODR) Regulations.

However, some commercial transactions have taken place with some of the Companies where Directors also hold Directorships. Such transactions have taken place only at arm's length basis and in the ordinary course of business, which have been disclosed to the Board and entered in the Register of Contracts and approved by the Board in accordance with the requirements of the Companies Act, 2013.

### **Independent Directors**

The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has Clause 49 II (B) of the Listing Agreement.

### **Tenure of Independent Directors**

The tenure of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### **Separate meetings of the Independent Directors**

The Independent Directors held a Meeting on 22<sup>nd</sup> March, 2016, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at such meeting. At the Meeting, they -

- i) Reviewed the performance of non-independent directors and the Board as a whole
- ii) Reviewed the performance of the Managing Director of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors hold an unanimous opinion that the non independent Directors, including the Managing Director bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Managing Director has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

### **Familiarization programme for Independent Directors**

Whenever any person joins the Board of the Company as an Independent Director, they are made aware of the Company's operation, their role, responsibilities and liabilities. At the time of appointment the Company communicates to the Directors their Role, Responsibilities and liabilities via appointment letters, briefing sessions, plant visit, technical session, etc. The Plant Visit is conducted to make them familiar with the manufacturing and operating procedure at different products and processes. The Company holds regular Board Meetings at its Registered Office to discuss and decide upon the various strategic and operational matters and Directors have an opportunity to interact with the Senior Company personnel. The minutes of the Board's sub-committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, are regularly placed before the Board. In addition to the above the Directors have full access to all the information's within the Company.

The details of such familiarization programmes can be viewed on the Company's website at [www.mahamayagroup.in](http://www.mahamayagroup.in)

## **III. COMMITTEES OF THE BOARD**

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board of Directors has, from time to time, constituted the following Committees, namely:

### **a. Audit Committee:**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consist three directors. All the directors have good knowledge of finance, accounts as well as company law.

#### **i) Terms of Reference**

The terms of reference of the Audit Committee covering the matters specified under Clause 49 of the Listing Agreement / Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending the 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 the auditor's report thereon, before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in Director's Responsibility Statement included in Board's report;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries based on 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) Qualifications 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, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, 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 thereon.
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 nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



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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.
20. To review report submitted by Monitoring Agency informing material deviations in the utilization of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) **During the Financial Year 2015 - 16, the Audit Committee met ten times to deliberate on various matters:** The meetings were held on 15<sup>th</sup> May, 2015, 30<sup>th</sup> May, 2015, 27<sup>th</sup> July, 2015, 6<sup>th</sup> August, 2015, 13<sup>th</sup> August, 2015, 21<sup>st</sup> August, 2015, 23<sup>rd</sup> October, 2015, 10<sup>th</sup> November, 2015, 28<sup>th</sup> January, 2016 and 2<sup>nd</sup> March, 2016.

iii) **The composition of Audit Committee as on date and the information on attendance at Audit Committee Meetings held during the year is as under:**

Name of the Directors	Positions Held	No. of Meetings	
		Held	Attended
Mr. Niraj Kansal	Chairman	10	10
Mr. Manish Kumar Agrawal	Member	10	10
Mr. Atul Garg	Member	10	10

All the members of the Audit Committee are Independent Directors.

The Cost Auditors appointed by the Company under Section 148 of the Companies Act, 2013 (earlier Section 233B of the Companies Act, 1956) attends the Audit Committee Meeting whenever Cost Audit Report is discussed.

The Company Secretary acts as the Secretary of the Committee.

### **Risk Management**

The Audit Committee regularly reviews the Risk Management Strategy of the Company to ensure the effectiveness of risk management policies and procedures.

## **b. Nomination and Remuneration Committee:**

### **I) Terms of Reference**

The Nomination & Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down. Recommended to the Board their appointment and removal and shall carry out evaluation of every director performance.

The Committee had been consulted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors. The remuneration policy is in consonance with the existing industry practice.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement / Regulation 19 read with Part D of Schedule II to the SEBI LODR.

The terms of reference of the Committee are broadly as under:

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.
3. Devising a policy on Board diversity.
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.

**i) During the Financial Year 2015 - 16, the Nomination and Remuneration Committee met Seven times on: 16<sup>th</sup> May, 2015, 30<sup>th</sup> June, 2015, 24<sup>th</sup> August, 2015, 16<sup>th</sup> September, 2015, 11<sup>th</sup> December, 2015, 21<sup>st</sup> December, 2015 and 23<sup>rd</sup> March, 2016.**

**ii) The composition of Nomination and Remuneration Committee as on date and the information on attendance at Nomination and Remuneration Committee Meetings held during the year is as under:**

Name of the Directors	Positions Held	No. of Meetings	
		Held	Attended
Mr. Niraj Kansal	Chairman	7	7
Mr. Manish Kumar Agrawal	Member	7	7
Mr. Atul Garg	Member	7	7

All the members of the Nomination and Remuneration Committee are Independent Directors.

The Company Secretary acts as the Secretary of the Committee.

### **Performance evaluation of Independent Directors**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors. The framework of performance evaluation of the Independent Directors will capture the following points:

- a) Key attributes of the IDs that justify his/her extension/continuation on the Board of the Company;
- b) Participation of the Directors in the Board proceedings and his/her effectiveness;

The Board of Directors (excluding the Director being evaluated) had evaluated the performance of all the Independent Directors on the Board and have determined to continue with the term of appointment of the Independent Directors.

All the Independent Directors have furnished a declaration that he / she meets the criteria of independence as laid down in Section 152 of the Companies Act, 2013.

The required information of the Directors who are seeking appointment or re-appointment is set out in the annexure to the AGM Notice.

### **Performance Evaluation of Board, Committees and Directors**

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the directors being evaluated.

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Managing Director was also evaluated on the key aspects of his role.

### **iii) Remuneration to Directors:**

The remuneration of Director in all the cases is decided by the Board as per the Remuneration policy of the Company subjects to necessary approval of shareholders, Nomination and Remuneration Committee other applicable approvals, if any.

Details of remuneration paid to Directors of the Company for the financial year ended on 31<sup>st</sup> March, 2016 are as follows:

S. No.	Name	Salary	Perquisites and Benefits	Shares in Profit/ Incentive	Total
1	Mr. Rajesh Agrawal Managing Director (DIN: 00806417)	48,00,000	-	-	48,00,000
2	Mrs. Rekha Agrawal Director (DIN: 00597156)	-	-	-	-
3	Mr. Brajendra Dwivedi* Director (DIN: 07018956)	24,000	16,000	-	40,000
4	Mr. Yewesh Yede** Director (DIN: 07275526)	1,42,600	-	-	1,42,600
5	Mr. Niraj Kansal Director (DIN: 02513034)	-	-	-	-
6	Mr. Manish Kumar Agrawal Director (DIN: 02822174)	-	-	-	-
7	Mr. Atul Garg Director (DIN: 02822051)	-	-	-	-

\* Mr. Brajendra Dwivedi has resigned from the Directorship w.e.f 25<sup>th</sup> August, 2015

\*\* Mr. Yewesh Yede appointed as Director w.e.f 26<sup>th</sup> September, 2015

**Notes:** Non-Executive Director have not been paid any sitting fess for attending the Board / Committee Meetings.

Salary & perquisites include all elements of remuneration i.e. salary, reimbursement and other allowances and benefits.

### c. Stakeholders Relationship Committee:

#### Terms of Reference

The Committee specifically look into the redressal of grievances of Shareholders. The committee considers and resolves the grievances of the Shareholders of the Company including complaints related to Transfer of shares, Non-receipt of Balance Sheet, Non-receipt of declared Dividends etc.

- i) **During the Financial Year 2015 - 16, the Stakeholders Relationship Committee met fourtimes on:** 4<sup>th</sup> April, 2015, 16<sup>th</sup> July, 2015, 10<sup>th</sup> October, 2015 and 7<sup>th</sup> January, 2016.
- ii) **The composition of Stakeholders Relationship Committee as on date and the information on attendance at Investor Grievances Committee Meetings held during the year is as under:**

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Name of the Directors	Positions Held	No. of Meetings	
		Held	Attended
Mr. Niraj Kansal	Chairman	4	4
Mr. Rajesh Agrawal Agrawal	Member	4	4
Mr. Atul Garg	Member	4	4

- iii) **Name of Non Executive Director heading the committee:** Mr. Niraj Kansal.
- iv) **Name & Designation of Compliance Officer:** Mrs. Jaswinder Kaur Mission, Company Secretary.
- v) **Number of Shareholder's queries received and replied to the satisfaction of shareholders during the year under review was:** 1.
- vi) **Number of pending complaints:** Nil.

### IV. GENERAL BODY MEETINGS:

- i) **Location, date and time when the Last three Annual General Meeting(s) held:**

The details of the Annual General Meeting held in last three years are as under:

Year	Location	Date	Time
2012-13	At the Registered Office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)	30 <sup>th</sup> Sep. 2013	1.30 p.m.
2013-14	At the Registered Office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)	30 <sup>th</sup> Sep. 2014	11.00 a.m.
2014-15	At the Registered Office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)	26 <sup>th</sup> Sep. 2015	11.00 a.m.

- ii) **Special Resolution passed in previous three Annual General Meetings:**

Year	Special Resolutions Passed
2012-13	No Special Resolution was passed.
2013-14	Appointment of Mrs. Rekha Agrawal as an Executive Director. Approval of borrowing limits of the Company. Creation of Charge on the assets of the Company. Adoption of New set of Articles of Association of the Company. Approval for entering in to transactions with Related Parties.
2014-15	Approval of Related Party Transactions.

**iii) Extra Ordinary General Meeting (EGM):**

No Extra Ordinary General Meeting (EGM) was held during the last year.

**iv) Special Resolution passed through Postal Ballot:**

In the AGM for the previous Financial Year 2014-15 held on 26<sup>th</sup> September, 2015, no special resolution was put through by Postal Ballot.

**v) Special Resolution proposed to be conducted through Postal Ballot and Procedure therefore:**

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through Postal Ballot. Hence the procedure for Postal Ballot is not laid down.

**V. MEANS OF COMMUNICATION****i) Quarterly Results:**

The Quarterly, Half-yearly and Yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board in accordance with the Regulation laid down therefore and the erstwhile Listing Agreement.

**ii) News papers wherein results normally published:**

The Company publishes unaudited quarterly accounts and half-yearly accounts reviewed by auditors and audited financial results in one national newspaper and one regional language newspaper. Generally, these are published in Free Press Journal, Nav Shakti, and Amrit Sandesh. Besides, notice of the Board Meetings fixed for the purpose of approving these results is also published in the same newspaper.

**iii) Website:**

For the financial results and other relevant information, shareholders may log on to the websites of the Company [www.mahamayagroup.in](http://www.mahamayagroup.in)

**iv) Email id: [csmahamaya@gmail.com](mailto:csmahamaya@gmail.com), [syss72@yahoo.com](mailto:syss72@yahoo.com)**

The Annual Report, Quarterly, Half yearly and Annual Financial Results, Shareholding Pattern, Intimation of the Board Meetings and other statutory filings with the Stock Exchanges are posted through the filing system of the BSE Limited.

All Price sensitive information and matters which are material and relevant to the Shareholders are intimated to the BSE Limited.

**VI. GENERAL SHAREHOLDERS' INFORMATION****Twenty Eighth Annual General Meeting**

- |                                   |  |
|-----------------------------------|--|
| <b>i) Date, Time &amp; Venue:</b> | 11 <sup>th</sup> July, 2016 at 11.00 am at the registered office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur 493 221 (C.G.) |
| <b>ii) Financial Year:</b>        | 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March, 2016   |

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- iii) **Dividend and its Payment**            Not Declared
- iv) **Book Closure Date:**                    5<sup>th</sup> July, 2016 to 11<sup>th</sup> July, 2016 (both days inclusive)
- v) **Financial Calendar Period (tentative):**

For the Half year ending 30th September, 2016	Middle of Nov, 2016
For the Quarter ending 31st December, 2016	Middle of Feb, 2017
For the Year ending 31st March, 2017	End May, 2017

- vi) **Listing of Equity Shares  
on Stock Exchanges:**                    Bombay Stock Exchange Ltd.

- vii) **Stock Code**  
**Bombay Stock Exchange Ltd.:** 513554

- viii) **Market Price Data:** Monthly high / low of market price of the Company's Equity Shares traded on the Bombay Stock Exchange Limited (BSE) during the last financial year were as under:

Month	Open Price	High Price	Low Price	Close Price
Apr-15	37.55	49.75	35.00	36.05
May-15	36.20	40.90	30.10	30.20
Jun-15	33.95	35.00	22.40	30.60
Jul-15	29.35	40.00	23.00	39.95
Aug-15	43.50	46.80	31.00	31.50
Sep-15	32.85	43.70	31.85	35.85
Oct-15	35.95	50.90	29.00	49.95
Nov-15	48.00	75.00	44.00	56.30
Dec-15	58.90	73.15	55.50	73.05
Jan-16	75.00	94.50	73.25	88.35
Feb-16	85.30	89.50	68.85	81.05
Mar-16	81.10	88.95	61.20	80.25

- ix) **ISIN No.:**                                INE451L01014.

- x) **Annual Listing fee:**    The annual listing fees for the year 2016-17 has been paid.



**xi) Share Transfer System:**

All routine transfers and transmissions of shares are processed by the Registrar & Share Transfer Agents within a period of 15 days from the date of receipt of transfer documents provided the documents are complete in all respect.

Requests for dematerialisation of shares are processed within 15 days from the date of receipt if the documents are in order.

As per the requirement of Clause 47(c) of the erstwhile Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities and had filed the same with the Stock Exchanges. These certificates were also placed before the Board of Directors at its Board Meetings.

As on 31<sup>st</sup> March, 2016 there were no valid requests pending for transfer of shares.

**xii) Reconciliation of Share Capital Audit Report:**

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996 the Reconciliation of Share Capital on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd ("CDSL") and in physical form for each of the quarters in the financial year ended 31<sup>st</sup> March, 2016 was carried out by a Practising Company Secretary whose reports were submitted with the Stock Exchanges at the end of every quarter, within the prescribed time limit.

The reports were also placed before the Board of Directors at its Board Meetings.

**xiii) Shareholding Distribution as on 31<sup>st</sup> March, 2016**

Shareholding	Number of Shareholders	% of Total Shareholders	Total Number of Shares	% of Total Shares
Up to 5,000	2707	96.886	1066218	7.857
5,001 to 10,000	33	1.181	255901	1.886
10,001 to 20,000	22	0.787	298422	2.199
20,001 to 30,000	9	0.322	221505	1.632
30,001 to 1,00,000	7	0.251	344008	2.536
1,00,001 and above	16	0.573	11384346	83.891
<b>Total</b>	<b>2794</b>	<b>100</b>	<b>13570400</b>	<b>100</b>

xiv) Shareholding Pattern as on 31<sup>st</sup> March, 2016

Shareholders Category	Number of Shares	Percentage
<b>Promoter &amp; Promoter Group</b>		
Individual/HUF	6882409	50.716
Bodies Corporate	2585000	19.049
<b>Public Shareholding</b>		
Institutions	100	0.001
Non Institutions	NIL	NIL
Bodies Corporate	1810774	13.344
Individual Shareholding holding nominal value up to Rs. 2 Lac	1431167	10.546
Individual Shareholding holding nominal value greater than Rs. 2 Lac	860950	6.344
Any Other (NRI)	NIL	NIL
<b>Total</b>	<b>13570400</b>	<b>100.00</b>

xv) Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2016:

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The Company's ISIN no. is INE451L01014.

Details of shares held in dematerialized and physical form as on 31<sup>st</sup> March, 2016

Particulars	No. of Shares	Percentage	Liquidity (No. of Shareholders)	Percentage
NSDL	11254913	82.94%	346	12.38%
CDSL	1466007	10.80%	310	11.10%
PHYSICAL	849480	6.26%	2138	76.52%
TOTAL	13570400	100%	2794	100%

## xvi) CEO and CFO Certification

The Managing Director and the CFO have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations.

**xvii) Information on Deviation from Accounting Standards, if any**

There has been no deviation from the Accounting Standards in preparation of annual accounts for the financial year 2015-16.

**xviii) Plant locations:**

B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur - 493221 Chhattisgarh

**xix) Investors Correspondence Address:**

- a. System Support Services  
Registrar and Transfer Agent  
209, Shivai Industrial Estate,  
89, Andheri Kurla Road,  
Sakinaka, Andheri (E)  
Mumbai - 400 072  
Tel. : 022 - 2850 0835  
Fax : 022 - 2850 143  
Email : sysss72@yahoo.com
- b. Mahamaya Steel Industries Ltd.  
Secretarial Department  
B/8-9, Sector C, Urla Industrial Area,  
Sarora, Raipur - 493 221 (C.G.)  
Tel. : 0771 4006666  
Fax : 0771 4006611  
Email : csmahamaya@gmail.com

**xx) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, Conversion date and date and likely impact on the Equity**

Not Applicable.

**xxii) Equity Shares lying in the Suspense Account**

Not Applicable.

**VII. DISCLOSURES****i) Related Party Transactions and Policy Related thereto:**

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties are entered into by the Company in the normal course of business and at arm's length. The details of

transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules framed thereunder including the SEBI (LODR) Regulations and the erstwhile Listing Agreement. The policy has been placed on the website of the Company at [www.mahamayagroup.in](http://www.mahamayagroup.in).

**ii) Details of Non-Compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years:**

Due to some unavoidable circumstances Company was unable to submit the Shareholding Pattern for the quarter ended 31.12.2014 within due time thus penalty of Rs 7865/- was imposed by the Stock Exchange.

Due to some technical issues Company was unable to email the soft copy of Annual Report 2013-14 and is delayed by one day thus penalty of Rs. 1124/- was imposed by the Stock Exchange.

**iii) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee :**

The Company has adopted a Whistle Blower Policy which enables Directors and employees to report their genuine concerns. The mechanism under said policy provides for adequate safeguards against the victimization of persons who use this mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. No Director or employee who wanted to report a concern was denied access to the Chairman of the Audit Committee.

No personnel have been denied access to the audit committee.

**iv) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with the applicable mandatory requirements of Clause 49 of the erstwhile Listing Agreement as-well-as the SEBI (LODR) Regulations.

The Company has adopted non-mandatory requirement as specified in Part E of Schedule II of the SEBI (LODR) Regulations.

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

**v) Policy for determining Material Subsidiaries:**

Your Company does not have any subsidiary / subsidiaries, therefore no policy worth mentioning was required to be framed in this regard.

**vi) Disclosure of commodity price risks and commodity hedging activities:**

The principal raw materials of the Company are procured from the domestic suppliers and not from Overseas markets. The Company does not indulge in any commodity hedging activities.

**vii) Compliance or otherwise of any requirement of Corporate Governance Report:**

The Company has complied with the requirements of the Corporate Governance and has made disclosures to the extent required and applicable to it, as stipulated in the SEBI (LODR) Regulations. These are the following:-

- Sub-paras 2 to 10 of Para C of Schedule V;
- Regulations 17 to 27; and
- Regulation 46 (2) (b) to (l).

**viii) Unclaimed Dividends:**

By virtue of the provision laid down under the Companies Act, 2013, the amount of dividend remaining unpaid / unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company, shall be required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to the IEPF:

Financial Year	Date of declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to the IEPF	Amount of Unclaimed Dividend (as on 31.03.2016) (INR)
2008-09	29.09.2009	29.10.2016	30.10.2016	2,62,615
2009-10	28.09.2010	28.10.2017	29.10.2017	1,98,550

Members who have not encashed their dividend warrants are requested to write to the Company's Registrar and Transfer Agents viz., System Support Services and have them revalidated and encashed to avoid transfer to IEPF.

**VIII. PRACTICING COMPANY SECRETARY'S CORPORATE GOVERNANCE CERTIFICATE**

The Company has obtained a certificate from a Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated in Part E of Schedule V of the SEBI (LODR) Regulations and Clause 49 of the erstwhile Listing Agreement. The Certificate is annexed to this Report.

**IX. CODE OF CONDUCT**

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company as required by Clause 49 II (E)(2) of the erstwhile Listing Agreement with the Stock Exchanges and Regulation 34(3) read with Para D of Schedule V to the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Company has received

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confirmation from the Directors and Senior Management regarding compliance with the code for the year ended 31<sup>st</sup> March, 2016.

A Certificate from Managing Director to this effect is attached to this report. The Code has been displayed on the Company's website [www.mahamayagroup.in](http://www.mahamayagroup.in)

By Order of the Board

Rajesh Agrawal  
Managing Director

**Place:** Raipur

**Date:** 15<sup>th</sup> June, 2016

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

As required by Clause 49 II (E)(2) of the erstwhile Listing Agreement with the Stock Exchanges and Regulation 34(3) read with Para D of Schedule V to the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I further declare that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2016, received from all the Board Members and Senior Management Personnel of the Company, an affirmation of compliance with the Code, as applicable to them.

For and on behalf of the Board  
For, Mahamaya Steel Industries Limited

Rajesh Agrawal  
Managing Director

**Place:** Raipur  
**Date:** 28.05.2016



**CEO / CFO CERTIFICATION**  
**(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)**

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Managing Director and Chief Financial officer of the Company has certified to the Board that:

- A. We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) there has not been any significant change in internal control over financial reporting during the year;
  - (2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (3) we are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board  
For, Mahamaya Steel Industries Limited

Rajesh Agrawal  
Managing Director

Praveen Kumar Chvada  
Chief Financial Officer

**Place:** Raipur  
**Date:** 28.05.2016

**Corporate Governance Certificate**

**To**  
**The Members**  
**Mahamaya Steel Industries Limited**  
B-8&9, Sarora Industrial Area  
Sarora,Raipur (CG)

I have examined the compliance of conditions of Corporate Governance of Mahamaya Steel Industries Limited (CIN:L27107CT1988PLC004607) (hereinafter called 'the Company') for the year ended 31<sup>st</sup> March, 2016 as stipulated in clause-49 of the erstwhile Listing Agreement and regulation 15 to 26 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations,2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as specified above.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the Management has conducted the affairs of the Company.

Sd/-  
(Brajesh R. Agrawal)  
Practicing Company Secretary  
FCS No: 5771 | C.P. No.: 5649

**Date:** 28.05.2016

**Place:** Raipur

**Independent Auditor's Report**  
**To the Members of**  
**MAHAMAYA STEEL INDUSTRIES LIMITED**

**1. Report on the Standalone Financial Statements :**

We have audited the accompanying standalone financial statements of Mahamaya Steel Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2016 the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

**2. Management's Responsibility for the Standalone Financial Statements :**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**3. Auditor's 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 thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the 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.

4. 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.

5. 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.

**Basis for Qualified Opinion :**

The company has recognised electricity duty receivable amount of Rs.1.05 crores(Note No.13& 25) by the way of reversing electricity duty expenditure for the year; the company has not provided any sanction from the competent authority (CSIDC);in the absence of any reasonable certainty of the ultimate collection the receivable amount is not in line with the Accounting Standard (AS-9)(Revenue Recognition) of ICAI. The company has been following the same procedure for the earlier years which is having a cumulative effect of receivable balance of Rs. 8.82 crores.Had the company would not been recognised the same receivable during the year, the profit of the company would have been reduced to the extent of Rs.1.05 crores and the cumulative reduction in the receivable (Current Assets) and share holder's fund to the extent of 8.82 Crores for the year.

**6. Qualified Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for qualified opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act 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 31 March 2016 and its loss and its cash flows for the year ended on that date.

**Emphasis of matters :**

We draw attention to the following matters in the notes to the financial statements;

Note No.18 (Other current assets) of the financial statement where the company had recognised receivable amount of Rs.114.56 lakhs from one of its employee committed fraud during the earlier financial year, the company had filed a legal suit against the employee and the same is subject to judicial proceedings. The outcome of the ultimate realization and the legal suit is not known at present.

Our opinion is not modified in respect of these matters.

**7. Report on Other Legal and Regulatory Requirements :**

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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

**8. 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 it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) Except to the para mentioned above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B' and
- (g) 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:
  - I. the Company has disclosed the impact of pending litigations(Note-30) on its financial position in its financial statements.
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. And
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, R.K. Singhania & Associates  
Chartered Accountants  
F.R.No. 004435C

**Place :** Raipur  
**Date :** 28<sup>th</sup> May 2016

Ramesh Kumar Singhania  
Partner  
Membership No. 041880

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 7 of our Independent Auditors' Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) According to the information and explanations given to us the Company is in process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties, as disclosed in Note-11 on the fixed assets to the financial statements are held in the name of the company.
- (ii) (a) According to the information and explanations given to us the company has been physically verified the inventory (except stock lying with third parties) at reasonable intervals during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- (b) According to the information and explanations given to us the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of the business. Further the discrepancies noticed in our physical verification of inventory as compared to books of accounts were not material.
- (iii) According to the information and explanations given to us the Company has not granted loans to the bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the order is not applicable during the year.
- (iv) The company has not granted any loans, investments, guarantees and securities granted in respect of which the provisions of section 185 & 186 of the Act are applicable and hence not commented thereon.
- (v) According to the explanation and information given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the rules framed thereunder to the extent notified during the year.
- (vi) The Central Govt. has prescribed maintenance of cost records under section 148(1) of the Companies Act 2013 in respect of manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. And there is no arrear

## 28<sup>th</sup> Annual Report 2015-16

of outstanding statutory dues at 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 information and explanations given to us, the disputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues aggregating to Rs.1127.62 lakhs, that have not been deposited on account of matters pending before the appropriate authorities are as under;

Sl. No.	Name of the Statute	Nature of the duties	Amount in Lacs	Period to which the amount relates	Forum where dispute is pending
1	Sales Tax statute of the State	Sales\ Comm. tax	4.98	1990-91	Before the Hon'able High Court of Chhattisgarh
2	Income tax Act 1961	Income tax	945.67	2013-14	ACIT, Raipur
3	Central Excise Act 1944	Excise duty	18.39	2011-12	Assistant Commissioner, Raipur
4	Central Excise Act 1944	Excise duty	5.79	2011-12	Additional Commissioner, Raipur
5	Central Excise Act 1944	Excise duty	7.70	2013-14	Commissioner (Appeal), Raipur
6	Central Excise Act 1944	Excise duty	18.41	2014-15	Commissioner (Appeal), Raipur
7	Central Excise Act 1944	Excise duty	9.91	2015-16	Assistant Commissioner, Raipur
8	Central Excise Act 1944	Excise duty	0.10	2015-16	Superintendent (Tech), Raipur
9	Central Excise Act 1944	Excise duty	116.67	2012-13	CESTAT, New Delhi
	Total		1127.62		

- (viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any banks, financial institutions or govt. Further, the company does not have any debentures issued/ outstanding any time during the year.
- (ix) The company has not raised any money by way of initial public offer or further publicoffer (including debt instruments) during the year. The company has obtained fresh term loan during the year and the same has been mainly applied for the purpose for which these are obtained.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule v to the Act.

- (xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable during the year.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in Note -31 to the financial statement as required by the applicable accounting standard.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with them as prescribed under section 192 of the Act. Accordingly, paragraph 3 (xv) of the Order is not applicable during the year.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the order is not applicable during the year.

For, R.K. Singhania & Associates  
Chartered Accountants  
F.R.No. 004435C

**Place :** Raipur  
**Date :** 28<sup>th</sup> May 2016

Ramesh Kumar Singhania  
Partner  
Membership No. 041880



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHAMAYA STEEL INDUSTRIES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section-3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial controls over financial reporting of MAHAMAYA STEEL INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on the date.

**Management's Responsibility for Internal Financial Controls :**

The Company's management 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 the Institute of Chartered Accountants of India (ICAI). 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 its 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.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respect.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting including those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, 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 statement.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, 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 evolution of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls 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, R.K. Singhania & Associates  
Chartered Accountants  
F.R.No. 004435C

**Place :** Raipur  
**Date :** 28<sup>th</sup> May 2016

Ramesh Kumar Singhania  
Partner  
Membership No. 041880

## 28<sup>th</sup> Annual Report 2015-16

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

(All amount are in INR lacs unless otherwise stated)

Particulars		Note No.	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's Funds</b>			
	(a) Share Capital	2	4,557.04	4,557.04
	(b) Reserves and Surplus	3	6,389.97	7,915.33
(2)	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	4	589.34	434.23
	(b) Deferred tax liabilities (Net)	5	945.61	618.21
	(c) Long term provisions	6	40.28	45.85
(3)	<b>Current Liabilities</b>			
	(a) Short-term borrowings	7	6,280.42	6,377.38
	(b) Trade payables	8	691.55	403.94
	(c) Other current liabilities	9	1,467.29	1,490.31
	(d) Short-term provisions	10	83.77	79.75
	<b>Total</b>		21,045.27	21,922.04
<b>II</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11	6,890.51	7,568.34
	(ii) Capital work-in-progress		237.60	19.81
	(b) Non-current investments	12	2,963.33	1,521.92
	(c) Long term loans and advances	13	1,800.45	1,568.38
(2)	<b>Current assets</b>			
	(a) Inventories	14	3,700.89	4,753.97
	(b) Trade receivables	15	4,222.40	3,833.13
	(c) Cash and Cash Equivalents	16	602.48	724.28
	(d) Short-term loans and advances	17	376.66	1,739.16
	(e) Other current assets	18	250.95	193.05
	<b>Total</b>		21,045.27	21,922.04

#### Significant Accounting Policies

1

The Accompanying notes form an integral part of the Financial Statement

#### As per our report of even date attached

For, R.K. Singhania & Associates  
Chartered Accountants  
Registration No. 004435C

For and on behalf of the Board

Rajesh Agrawal  
Managing Director  
DIN - 00806417

Rekha Agrawal  
Director  
DIN - 00597156

Ramesh Kumar Singhania  
Partner  
Membership No. 041880

Jaswinder Kaur Mission  
Company Secretary

Praveen Kumar Chavda  
CFO

Date: 28<sup>th</sup> May 2016

Place: Raipur

Date: 28<sup>th</sup> May 2016

Place: Raipur

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

(All amount are in INR lacs unless otherwise stated)

Particulars		Note No.	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
I.	Revenue from operations	19	30,926.31	29,145.41
II.	Other Income	20	111.19	116.56
III.	<b>Total Revenue (I +II)</b>		<b>31,037.50</b>	<b>29,261.97</b>
IV.	Expenses:			
	Cost of materials consumed	21	23,790.91	22,480.01
	Changes in inventories of finished goods	22	367.96	60.77
	Employee benefit expense	23	573.19	550.20
	Finance costs	24	944.73	752.64
	Depreciation	11	665.69	670.32
	Other expenses	25	6,047.21	4,449.16
	<b>Total Expenses</b>		<b>32,389.69</b>	<b>28,963.10</b>
V.	Profit before exceptional and extraordinary items and tax		<b>(1,352.19)</b>	<b>298.87</b>
VI.	Exceptional Items	26	154.23	26.05
VII.	<b>Profit before tax</b>		<b>(1,197.96)</b>	<b>324.92</b>
VIII.	Tax expense:			
	(1) Current tax		-	181.66
	(2) Tax related to earlier year		-	3.38
	(3) Deferred tax		327.40	(72.26)
IX.	Profit(Loss) for the period from continuing operations		(1,525.36)	212.14
X.	Profit/(Loss) for the period		<b>(1,525.36)</b>	<b>212.14</b>
XI.	Earning per equity share:			
	(1) Basic	27	(11.24)	1.56
	(2) Diluted		(11.24)	1.56
<b>Significant Accounting Policies</b>		<b>1</b>		
The Accompanying notes form an integral part of the Financial Statement				

**As per our report of even date attached**

 For, R.K. Singhania & Associates  
 Chartered Accountants  
 Registration No. 004435C

For and on behalf of the Board

 Rajesh Agrawal  
 Managing Director  
 DIN - 00806417

 Rekha Agrawal  
 Director  
 DIN - 00597156

 Ramesh Kumar Singhania  
 Partner  
 Membership No. 041880

 Jaswinder Kaur Mission  
 Company Secretary

 Praveen Kumar Chavda  
 CFO

**Date:** 28<sup>th</sup> May 2016

**Place:** Raipur

**Date:** 28<sup>th</sup> May 2016

**Place:** Raipur

## 28<sup>th</sup> Annual Report 2015-16

### CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR 2015-16

(All amount are in INR lacs unless otherwise stated)

Particulars	2015-16	2014-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
i. Net Profit before Tax	(1,197.96)	324.94
<b>Adjustment for :-</b>		
Depreciation	665.69	670.32
Interest charged to Profit and Loss Account	944.73	752.65
Provision for Income Tax	-	(185.04)
(Profit)/ Loss on sale of Fixed Assets	(33.69)	0.42
<b>ii. Operating Profit before Working Capital changes</b>	<b>378.77</b>	<b>1,563.28</b>
<b>Adjustment for :-</b>		
(Increase) / Decrease in Trade Receivables	(389.27)	(1,228.46)
(Increase) / Decrease in Inventories	1,053.08	(9.09)
(Increase)/decrease in Other Receivable	1,304.59	604.87
Increase/ (decrease) in Trade Payables and Other liabilities	171.66	161.95
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,518.84</b>	<b>1,092.54</b>
<b>TOTAL CASH AVAILABLE FROM OPERATING ACTIVITIES (A)</b>	<b>2,518.84</b>	<b>1,092.54</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets and capital WIP and pre operative exp.	(255.83)	(390.38)
Sale of Fixed Assets	83.87	40.86
Investment in Shares / Share Application Money	(1,441.41)	(999.92)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(1,613.37)</b>	<b>(1,349.44)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds/(Repayment) of Long Term bank Borrowings	155.11	190.10
Increase/ (decrease) in provisions	(5.58)	1,881.10
Interest and Bank charges Paid	(944.73)	(752.65)
Proceeds/(Repayment) of Long Term advances	(232.07)	(791.50)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(1,027.27)</b>	<b>527.05</b>
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	(121.80)	270.15
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>724.28</b>	<b>454.13</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>602.48</b>	<b>724.28</b>

NOTES: 1) Figures in the brackets represent outflows.

2) Cash and cash equivalents includes cash & bank balances only.

3) Previous years figures have been regrouped/rearranged wherever necessary.

<b>Significant Accounting Policies</b>	<b>1</b>
The Accompanying notes form an integral part of the Financial Statement	

#### As per our report of even date attached

For, R.K. Singhania & Associates  
Chartered Accountants  
Registration No. 004435C

For and on behalf of the Board

Rajesh Agrawal  
Managing Director  
DIN - 00806417

Rekha Agrawal  
Director  
DIN - 00597156

Ramesh Kumar Singhania  
Partner  
Membership No. 041880

Jaswinder Kaur Mission  
Company Secretary

Praveen Kumar Chavda  
CFO

Date: 28<sup>th</sup> May 2016

Place: Raipur

Date: 28<sup>th</sup> May 2016

Place: Raipur

**MAHAMAYA STEEL INDUSTRIES LIMITED  
NOTE 1 SIGNIFICANT ACCOUNTING POLICIES****Company Overview**

Mahamaya Steel Industry a major industry in the group is a 15 years young company, manufacturing steel structures in the shape of Angles, Beams, Joist, Channels, Rounds, Flats, Railway sleepers etc. It has high capacity structural rolling mills with full fledged supportive SMS. Mahamaya has many prestigious customers ranging from BHEL, BHPV, MAHAGENCO, CSPDCL, TNEB, GETCO, MSPDCL, MPPDCL, ONGC, RAILWAYS, RELIANCE, JINDAL etc. It is also conversion agent of SAIL, JINDAL. Mahamaya is one of the few in the country who manufactures 600 MM joist and 250 MM angles . Mahamaya has kept pace with modern time, by continuously modernizing its plant and equipment so that its product confires to specification as required by different customers. The product are inspected by world renowned inspection agencies like – BIS,TUV,DNV,BUREAU VARITAS, SGS, LLOYDS, ABS, RDSO etc. The company is a public limited company incorporated and domiciled in India and has its registered office at Raipur, Chhattisgarh. The company is listed its shares on Bombay stock exchange ltd(BSE).

**1) Basis of Preparation of Financial Statements**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting principle(GAAP) under the historical cost convention on the accrual basis.GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013('Act') read with Rule 7 of the Companies (Accounts) Rule 2014,the provision of the acts (to the extent notified) and guideline issued by the SEBI .Accounting policies have been consistently applied except where a newly accounting standard is initially adopted or to a revision to an AS requires a change in accounting policy hitherto in use.

**2) Use of Estimates**

The preparation of financial statements require estimates & assumptions to be made that affect the reported amount of asset and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized

**3) Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of duties (net of credit under Cenvat / VAT schemes), taxes, incidental expenses, erection / commissioning expenses, including financing cost till commencement and regularization of commercial production, net charges on foreign exchange contracts and adjustments (if any) arising from exchange rate variation relating to borrowings attributable to the fixed assets are capitalized, less accumulated depreciation as per the Schedule-II.

**4) Capital Work in progress**

It is stated at cost.

**5) Depreciation and Amortisation**

- l) Depreciation is provided based on useful life of the assets and scrape value (5% of the original cost) as prescribed in schedule II to the Companies Act, 2013 except, in respect

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- of Rolls, where useful life taken for one year only as per technical advise.
- ii) Leasehold Land is amortised on straight line basis over the period of lease.

### **6) Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is normally charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **7) Foreign Currency Transactions**

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### **8) Investments**

Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

### **9) Inventory Valuation**

Inventories are valued at lower of cost or net realizable value. Cost of Finished goods is determined by including direct materials, labour, other expenses and a proportion of overheads based on normal operating capacity. Cost of finished goods has been determined on weighted average and includes excise duty. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost of raw materials stores and spares, are determined on FIFO basis. By products are valued at net realizable value.

### **10) Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

### **11) Excise Duty**

Excise Duty is accounted on the basis of, both, payments made in respect of goods cleared as also provision made for finished goods in stock.

**12) Recognition of Income and Expenditure**

Mercantile method of accounting is employed unless otherwise specifically stated elsewhere in this schedule. However, where the amount is immaterial/negligible and/or establishment of accrual/determination of amount is not possible, no entries are made for the accruals.

**13) Employee's Retirement Benefits**

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

**14) Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets (if any). A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

**15) Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carry forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

**16) Provisions, 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 events and it is probable that there will be an outflow of resources. Contingent Liabilities are generally not provided for in books of account and separate disclosure is made in 'Notes on Accounts'. Contingent Assets are neither recognized nor disclosed in the financial statements.

**17) Finance Lease**

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. A leased assets is depreciated on Straight line over the useful life of the asset.



(All amount are in INR lacs unless otherwise stated)

**NOTE 2 SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Authorised:</b>		
1,50,00,000 (P.Y.1, 50,00,000) Equity Shares of Rs. 10/- (Ten) each	1,500.00	1,500.00
30,00,000 (P.Y. 30,00,000) 8% Preference Shares of Rs. 10/- (Ten) each	300.00	300.00
4,20,00,000 (P.Y. 4,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of Rs. 10/- (Ten) each	4,200.00	4,200.00
	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued:</b>		
1,35,76,000 (P.Y.1, 35,76,000) Equity Shares of Rs. 10/- (Ten) each	1,357.60	1,357.60
3,20,00,000 (P.Y. 3,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of Rs. 10/- (Ten) each	3,200.00	3,200.00
	4,557.60	4,557.60
<b>Subscribed &amp; Paid up :</b>		
1,35,70,400 (P.Y.1, 35,70,400) Equity Shares of Rs. 10/- (Ten) each	1,357.04	1,357.04
3,20,00,000 (P.Y. 3,20,00,000) 8% Redeemable Non Convertible Preference shares of Rs. 10/- (Ten) each	3,200.00	3,200.00
	4,557.04	4,557.04
<b>Total</b>	<b>4,557.04</b>	<b>4,557.04</b>

**NOTE 2a RECONCILIATION OF THE NUMBER OF EQUITY AND PREFERENCE SHARE**

<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the year:</b>		
<b>(a) Equity Shares:</b>		
No of shares outstanding at the beginning of the year	13,570,400	13,570,400
No of shares outstanding at the end of the year	13,570,400	13,570,400
<b>(b) 8% Redeemable Non Cumulative Non Convertible Preference Shares:</b>		
No of shares outstanding at the beginning of the year	32,000,000	32,000,000
No of shares outstanding at the end of the year	32,000,000	32,000,000

**NOTE 2b : NUMBER OF SHARES HELD BY EACH SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY**

(Nos. In Lakhs)

(% of Shareholding)

Particulars	Number of shares as at 31 <sup>st</sup> March, 2016	Number of shares as at 31 <sup>st</sup> March, 2015	% of Holding as at 31 <sup>st</sup> March, 2016	% of Holding as at 31 <sup>st</sup> March, 2015
<b>Equity Shares:</b>				
Abhishek Steel Industries Ltd	13.49	13.49	9.94%	9.94%
Gulab Bai Agrawal	10.82	10.82	7.97%	7.97%
Rajesh Agrawal	10.85	9.00	7.99%	6.63%
Ramanand Agrawal	21.28	21.39	15.68%	15.76%
Rajesh Agrawal (HUF)	6.98	6.98	5.14%	5.14%
Ramanand Agrawal (HUF)	7.95	7.95	5.86%	5.86%
Rekha Agrawal	8.95	7.77	6.60%	5.73%
Mahalaxmi Techno Cast Limited	5.90	14.89	4.35%	10.97%
<b>Preference Shares:</b>				
Escort Finvest Private Limited	231.75	231.75	72.42%	72.42%
Antriksh Commerce Private Ltd.	88.25	88.25	27.58%	27.58%

**NOTE 3 : RESERVES AND SURPLUS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Capital Redemption Reserve:</b>		
Balance as per the last financial statements	2,602.05	2,602.05
Additions during the year	-	-
Less: Transfer to General Reserve	-	-
	<b>2,602.05</b>	<b>2,602.05</b>
<b>Securities Premium Account:</b>		
Balance as per the last financial statements	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Capital Investment Subsidy</b>		
Balance as per the last financial statements	5.00	5.00
	<b>5.00</b>	<b>5.00</b>
<b>General Reserve:</b>		
Balance as per the last financial statements	1,980.23	2,044.41
Less: Transfer to Fixed Assets as per New Cos. Act 2013	-	64.18
Add: Transfer from Profit & Loss Account (Surplus)	-	-
	<b>1,980.23</b>	<b>1,980.23</b>
<b>Surplus:</b>		
Balance as per the last financial statements	2,328.05	2,115.91
Add: Profit/(Loss) for the period	(1,525.36)	212.14
Less: Appropriations	-	-
Transfer to General Reserve	-	-
Transfer to Capital Redemption Reserve	-	-
	<b>802.69</b>	<b>2,328.05</b>
<b>Total</b>	<b>6,389.97</b>	<b>7,915.33</b>

Note: During the year the company has not transferred any amount to the capital redemption reserve of preference share to align (excess amount has been transferred in earlier year) the required provision upto the end of this financial year.

(All amount are in INR lacs unless otherwise stated)

**NOTE 4 : LONG TERM BORROWINGS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Secured</b>		
Term Loans from banks	12.09	28.84
Vehicle Loans from banks (Secured by way of First pari passu charge on assets of the Company and personal guarantee of some of the directors)	8.61	6.77
<b>Unsecured</b>		
From Banks & Others	568.64	398.62
Note : There is no default, as at the balance sheet date, in repayment of any of above Loans.		
<b>Total</b>	<b>589.34</b>	<b>434.23</b>

**NOTE 4a : DETAILS OF REPAYMENT OF TERM LOAN**

Lender	Nature of facility	Terms of repayment
Uco Bank, Mid Corp. Branch, Raipur (Term Loan-3)	Term Loan	84 Monthly Installments of Rs. 7.74 Lacs"
Axis Bank Car Loan	Vehicle Loan	19 Monthly Installment of Rs. 1.15 Lacs
Axis Bank Car Loan (Innova Re-Finance)	Vehicle Loan	19 Monthly Installment of Rs. 1.12 Lacs
HDFC Bank Car Loan	Term Loan	24 Monthly Installment of Rs. 0.58 Lacs
Religare Finvest Ltd.	Term Loan	120 Monthly Installment of Rs. 4.52 Lacs
Reliance Capital Ltd.	Term Loan	60 Monthly Installment of Rs. 11.79 Lacs

**NOTE 5 : DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Opening Deferred Tax Liability (Net)	618.21	690.47
Add: Deferred Tax liability	641.23	3.28
Less: Deferred Tax Assets		
Disallowances under the Income Tax Act	318.28	6.11
	941.16	687.64
Add: Reversal of Deferred Tax Assets	4.45	(69.43)
<b>Total</b>	<b>945.61</b>	<b>618.21</b>

**NOTE 6 : LONG- TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Provision for Gratuity (Refer Note 29)	40.28	45.85
<b>Total</b>	<b>40.28</b>	<b>45.85</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 7 : SHORT TERM BORROWINGS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Secured</b>		
Working Capital facilities from Banks		
Cash Credit facilities	3,033.89	2,865.51
Letter of Credit facilities	3,146.53	3,337.36
(Secured by way of First pari passu charge on current assets of the Company and personal guarantee of some of the directors.)		
<b>Unsecured</b>		
From related parties (Refer Note 31)	100.00	174.50
Note : There is no default, as at the balance sheet date, in repayment of any of above Loans.		
<b>Total</b>	<b>6,280.42</b>	<b>6,377.38</b>

**NOTE 8 : TRADE PAYABLES**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Raw Materials</b>		
- Related Parties (Refer Note 31)	-	-
- Others	549.59	158.98
Stores and Expenses	141.96	244.97
<b>Total</b>	<b>691.55</b>	<b>403.95</b>

**NOTE 9 : OTHER CURRENT LIABILITIES**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Current maturities of long-term debt	274.68	155.90
Security Deposits	-	6.22
Advances from Customers		
- Related Parties	-	-
- Others	584.63	564.80
- Transportation Charges	14.59	3.93
Creditor for Capital Items	6.24	4.82
Provision for Statutory dues	216.39	404.06
Provision for Power charges	366.15	343.28
Unclaimed Dividends	4.61	7.30
<b>Total</b>	<b>1,467.29</b>	<b>1,490.31</b>

**NOTE 10 : SHORT-TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Provision for Employees' Salary & Related Expenses	56.02	61.63
Other Provisions	27.75	18.12
<b>Total</b>	<b>83.77</b>	<b>79.75</b>

## NOTE 11 : FIXED ASSETS

(₹ In Lacs)

PARTICULARS	COST			DEPRECIATION				NET BLOCK			
	AS AT 01.04.2015	Addition During the Period	Deductions During the Period	AS AT 31.03.2016	Upto 31.03.2015	For the period	On deductions (-)	*Dr./Cr. To General Reserve as per schedule II of New Cos. Act 2013	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
1. LEASEHOLD LAND & SITE DEVELOPMENT	37.18	15.53	-	52.71	-	4.18	-	-	4.18	48.53	37.18
2. FREE HOLD LAND	777.61	-	46.15	731.46	-	-	-	-	-	731.46	777.61
3. BUILDING	1,453.84	-	-	1,453.84	348.00	45.50	-	-	393.50	1,060.34	1,105.84
4. PLANT & MACHINERY	10,789.22	7.28	-	10,796.50	5,299.85	567.66	-	-	5,867.51	4,928.99	5,489.37
5. FURNITURE & FIXTURES	117.75	15.21	-	132.96	79.84	12.61	-	-	92.45	40.51	37.91
6. VEHICLES	299.43	-	29.03	270.40	179.00	35.74	25.01	-	189.73	80.67	120.43
<b>TOTAL RS.</b>	<b>13,475.03</b>	<b>38.02</b>	<b>75.18</b>	<b>13,437.87</b>	<b>5,906.69</b>	<b>665.69</b>	<b>25.01</b>	<b>-</b>	<b>6,547.37</b>	<b>6,890.50</b>	<b>7,568.34</b>
7. CAPITAL WORK IN PROGRESS	19.81	217.80	-	237.61	-	-	-	-	-	237.61	19.81
<b>TOTAL RS.</b>	<b>19.81</b>	<b>217.80</b>	<b>-</b>	<b>237.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237.61</b>	<b>19.81</b>
<b>GRAND TOTAL (Rs.)</b>	<b>13,494.84</b>	<b>255.82</b>	<b>75.18</b>	<b>13,675.48</b>	<b>5,906.69</b>	<b>665.69</b>	<b>25.01</b>	<b>-</b>	<b>6,547.37</b>	<b>7,128.11</b>	<b>7,588.15</b>
<b>PREVIOUS YEAR Rs.</b>	<b>13,207.16</b>	<b>720.15</b>	<b>432.48</b>	<b>13,494.83</b>	<b>5,233.62</b>	<b>670.32</b>	<b>61.43</b>	<b>(64.18)</b>	<b>5,906.69</b>	<b>7,588.15</b>	<b>7,973.55</b>

**Note :** Leasehold Land is amortised over the lease period i.e. 99 years commencing from July 2004. The above amortisation amount includes prior period expenditure of Rs. 4.03 Lacs.

(All amount are in INR lacs unless otherwise stated)

**NOTE 12 : NON CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Unquoted Equity &amp; Preference Shares (Valued at cost unless otherwise stated)</b>		
<b>In Enterprises controlled by Key Managerial Person:</b>		
1200300 Equity Shares of Rs. 10/- each at Rs. 2.50 each in Shree Shyam Sponge and Power Limited	30.01	30.01
In Associate Concerns:		
2000000 Equity Shares of Rs.10/- each in Devi Iron and Power Private Limited	200.00	200.00
564000 Equity Shares of Rs.10/- each in Devi Iron and Power Private Limited at Premium of Rs. 40/- each	282.00	282.00
2247000 Pref. share of Rs. 10/- each in Devi Iron and Power Private Limited at Premium of Rs. 34.50/- each	999.91	999.91
1317000 Pref. share of Rs. 100/- each in Devi Iron and Power Private Limited at Premium of Rs. 6/- each	1,396.02	-
100000 Equity Shares of Rs.10/- each in Mahamaya Charitable Foundation	10.00	10.00
2269550 Equity Shares of Rs. 10/- each at Rs.2/- each in Abhishek Steel Industries Ltd.	45.39	-
<b>Total</b>	<b>2,963.33</b>	<b>1,521.92</b>

**NOTE 13 : LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital Advances:	36.71	47.88
Security deposits	881.47	743.19
Electricity duty receivable	882.27	777.31
<b>Total</b>	<b>1,800.45</b>	<b>1,568.38</b>

**NOTE 14 : INVENTORIES**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Raw materials	564.69	988.03
Finished Goods	1,900.69	2,311.71
Stores and spares	1,235.51	1,454.23
(As taken, valued and certified by the management)		
<b>Total</b>	<b>3,700.89</b>	<b>4,753.97</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 15 : TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>		
1) Outstanding for a period exceeding six months from the date they are due for payment	1,242.87	1,297.33
2) Other Debts	2,979.53	2,535.80
<b>Total</b>	<b>4,222.40</b>	<b>3,833.13</b>
* Trade Receivable stated above include debts due by: Company in which director is a Director/member	2,251.70	2,228.70

**NOTE 16 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Balances with banks in -</b>		
Fixed Deposits	526.87	497.34
Current Accounts	63.13	210.84
Unclaimed Dividend Accounts	4.61	7.29
	-	-
Cash on hand	7.87	8.81
<b>Total</b>	<b>602.48</b>	<b>724.28</b>

**NOTE 17 : SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advances for Raw Materials		
Related Parties	-	1,068.28
Others	94.93	315.78
Advances for Stores, Consumables and Expenses	137.69	67.85
Taxes paid in advance less provisions	56.46	36.42
Balances with Commercial Tax Authorities	6.74	3.84
Balances with Central Excise Authorities	65.19	229.21
Staff , Tour & Imprest advances	15.65	17.78
<b>Total</b>	<b>376.66</b>	<b>1,739.16</b>

**NOTE 18 : OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Earnest Money deposits with customers	33.69	6.30
Prepaid Expenses	42.96	18.73
Other Receivable from employee	114.56	114.56
Incomes accrued but not due	59.74	53.46
<b>Total</b>	<b>250.95</b>	<b>193.05</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 19 : REVENUE FROM OPERATIONS**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Sale of products	35,527.20	33,373.14
Sale of services	-	5.11
Other operating revenues	21.24	17.64
Less:	-	-
Excise duty	3,815.06	3,489.82
Sales Tax and VAT	807.07	760.66
<b>Total</b>	<b>30,926.31</b>	<b>29,145.41</b>

**NOTE 20 : OTHER INCOME**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Interest Income	110.34	116.04
Income on Foreign Exchange Fluctuation	0.85	0.52
<b>Total</b>	<b>111.19</b>	<b>116.56</b>

**NOTE 21 : VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016		For the period ended on 31 <sup>st</sup> March, 2015	
	Value	%	Value	%
<b>Raw Material Consumed</b>				
Imported*	-	-	-	0
Indigenously obtained	22,308.44	100	21,018.51	100
<b>Sub-Total</b>	<b>22,308.44</b>		<b>21,018.51</b>	
<b>Spare Parts and Components Used</b>				
Imported*	38.38	3	45.41	3
Indigenously obtained	1,444.09	97	1,416.09	97
<b>Sub-Total</b>	<b>1,482.47</b>		<b>1,461.50</b>	
<b>Total</b>	<b>23,790.91</b>		<b>22,480.01</b>	

\*Value Includes full landed cost

**NOTE 21a : CIF Value of Imports**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Raw materials*	-	-
Components and Spare Parts*	38.12	45.29
<b>Total</b>	<b>38.12</b>	<b>45.29</b>

\* Value includes expenses incurred up to the port



(All amount are in INR lacs unless otherwise stated)

**NOTE 21b : On Raw Materials, Goods Purchased and Work in Progress**

Particulars	Blooms & Billets (Rolling Mill Division)		Sponge Iron/ Pig Iron and Scrap (SMS Division)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Raw Material Op. Stock	50.61	363.85	937.43	390.30
Purchases during the year	22,176.93	6,064.87	13,875.86	15,187.52
Consumption	21,859.50	6,378.11	14,616.63	14,640.40
Raw Material Cl. Stock	368.04	50.61	196.66	937.43

**NOTE 22 : (INCREASE) / DECREASE STOCKS OF FINISHED GOODS**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
<b>Stock (At Commencement)</b>		
Finished goods	2,311.71	2,381.46
<b>Stock (At End)</b>		
Finished goods	1,900.69	2,311.72
<b>(Increase) / Decrease Stocks Of Finished Goods</b>	<b>411.02</b>	<b>69.74</b>
Variation of Excise duty on Closing stock	(43.06)	(8.97)
<b>Total</b>	<b>367.96</b>	<b>60.77</b>

**NOTE 23 : EMPLOYEE BENEFIT EXPENSE**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Office Salaries	91.73	81.41
Contribution to provident and other funds (office)	0.92	2.76
Provision for Gratuity	(5.04)	5.08
Workers' Salaries, wages and other Benefits	428.66	415.85
Contribution to Provident Fund & ESIC (Plant)	33.17	32.44
Staff welfare expenses	23.75	12.65
<b>Total</b>	<b>573.19</b>	<b>550.19</b>

**NOTE 24 : FINANCE COSTS**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Interest expense	835.23	665.65
Other financial costs	109.50	86.99
<b>Total</b>	<b>944.73</b>	<b>752.64</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 25 : OTHER EXPENSES**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
<b>A. Manufacturing Expenses</b>		
Power and Fuel	5,334.76	3,836.75
Contractors' Payment	178.17	164.25
Conversion Charges	154.03	138.99
<u>Repairs and maintenance -</u>		
Machinery	3.21	5.28
Others	15.30	8.11
<b>Sub-Total A</b>	<b>5,685.47</b>	<b>4,153.38</b>
<b>B. Administrative, Selling &amp; Distribution Expenses</b>		
Insurance	3.56	11.82
Rent	-	-
Rates & Taxes (excluding taxes on income)	39.81	10.96
Directors Remuneration	49.83	56.20
Legal & Professional Charges	24.88	32.20
Travelling & Conveyance	13.71	14.55
Telephone Expenses	6.15	6.12
Auditors Remuneration	4.50	4.50
Other Administrative Expenses	42.75	39.49
Selling & Distribution Expenses	176.55	119.94
<b>Sub-Total B</b>	<b>361.74</b>	<b>295.78</b>
<b>Total (A+B)</b>	<b>6,047.21</b>	<b>4,449.16</b>

**NOTE 25a : PAYMENT TO AUDITORS**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Audit fees	3.00	3.00
Tax Audit	1.50	1.50
<b>Total</b>	<b>4.50</b>	<b>4.50</b>

**NOTE 26 : EXCEPTIONAL ITEMS**

Particulars	For the period ended on 31 <sup>st</sup> March, 2016	For the period ended on 31 <sup>st</sup> March, 2015
Profit/ (Loss) on sale of Fixed Assets	33.69	(0.42)
Income / (Expenses) pertaining to prior periods	-	-
Other non-operating income	78.53	14.34
Sundry balances written off	37.01	12.13
Government Grant	5.00	
<b>Total</b>	<b>154.23</b>	<b>26.05</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 27 : EARNING PER SHARE**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Profit after Tax	(1,525.36)	212.14
Weighted Average Number of equity shares outstanding during the year	135.70	135.70
Nominal Value of equity shares	10.00	10.00
Earning Per shares (Basic and diluted)	(11.24)	1.56

**NOTE 28 - FINANCIAL LEASES**

In respect of Fixed Assets acquired on finance lease as per Accounting Standard on Leases (AS-19), the minimum lease rentals outstanding as on 31st March 2016 are as follows :

Due	Total Minimum Lease Payments Outstanding as at		Interest not due		Present Value of the minimum lease payments as at	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Not later than one year	30.79	16.16	3.17	0.88	27.62	15.28
Later than one year and not later than five years	8.97	3.50	0.37	0.48	8.60	3.02

(All amount are in INR lacs unless otherwise stated)

**NOTE 29 - EMPLOYEE BENEFITS**
**Defined Benefit Plan :-  
Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 month and its payable on retirement / termination/ resignation. The benefit vests on the employees after completion of 5 Year of service. The gratuity liability has not been externally funded.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Gratuity (Non-funded) in Rs. (in Lacs)	
	31.03.2016	31.03.2015
I) Reconciliation of opening & closing balances of defined benefit obligation		
Defined Benefit obligation at beginning of year	45.85	40.77
Current Service Cost	13.36	14.32
Interest Cost	3.46	3.46
Actuarial (gain) / loss	(21.85)	(12.70)
Benefits paid	(0.54)	-
Defined Benefit obligation at year end	40.28	45.85
II) Reconciliation of fair value of assets and obligations		
Defined Benefit obligation	40.28	45.85
Fair value of Plan assets	-	-
	40.28	45.85
Less : Unrecognised Past Service Cost	-	-
Amount recognised in Balance Sheet	40.28	45.85
Since the entire amount of plan obligation is unfunded, therefore change in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded, therefore categories of plan asset as a percentage of the fair value of total plan assets and company's expected contribution to the plan assets in the next year is not given.		
III) Expenses recognised :- during the year (Under the head "Staff cost" - Refer Schedule '23')		
Current Service Cost	13.36	14.32
Interest Cost	3.45	3.46
Expected return on Plan assets	-	-
Actuarial (gain) / loss	(21.85)	(12.70)
Net Cost	(5.04)	5.08
IV) Investment Details :	-	-
V) Actuarial assumptions		
Indian Assured Lives Mortality (2006-2008) ultimate	2006-08	2006-08
Discount rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	8.00%	8.00%
Expected Average remaining working lives of employees Years)	26.25	31.29
Employee Turnover	8% at younger ages and reducing to 1% at older age according to graduated scale	8% at younger ages and reducing to 1% at older age according to graduated scale

Principal Plan is under Payment of Gratuity Act 1972 (as amended up to date).

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(All amount are in INR lacs unless otherwise stated)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

VI) Amount for the current and previous four year are as follows:

Sr. No.	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	Present Value of obligation	40.28	45.85	40.77	51.74	-
2	Fair Value of Plan Assets	-	-	-	-	-
3	Surplus/(Deficit)	(40.28)	(45.85)	(40.77)	(51.74)	-
4	Experience Adjustment on plan liabilities	-	1.88	21.52	-	-
5	Experience Adjustment on plan assets	-	-	-	-	-

### NOTE 30 CONTINGENT LIABILITY

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Income Tax Demand	945.67	-
Sales Tax Demands under appeal	4.98	4.98
Excise Duty liabilities under appeal & adjudication	176.97	209.50
Outstanding Bank Guarantees	178.25	176.26

### NOTE 31 RELATED PARTY DISCLOSURES

Disclosure of transactions with related parties, as required by Accounting Standard - 18 "Related Party Disclosures" has been set-out in a separate statement annexed to this schedule. Related parties as defined under Clause 3 of the Accounting Standard have been identified on the basis of representations made by Key Managerial Personnel and information available with the Company.

#### A) Name of the related party and nature of relationship where control exists:

Nature of Relationship	Name of Related Party
A. Associate Concerns	1. Abhishek Steel Industries Limited 2. Mahamaya Charitable Foundation
B. Key Managerial Persons	1. Shri Rajesh Agrawal 2. Smt. Rekha Agrawal
C. Relatives of Key Managerial Persons	1. Rajesh Agrawal HUF 2. Shri Anand Agrawal 3. Smt. Asha Devi Agrawal 4. Shri Ramanand Agrawal 5. Shri Ramanand Agrawal (HUF) 6. Smt. Gulab Bai Agrawal
D. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year	1. Shree Shyam Sponge & Power Limited 2. Antriksh Commerce Private Limited 3. Callidora Traders Private Limited 4. Mark Vision Multi Services Private Limited 5. Devi Iron and Power Private Limited 6. Escort Finvest Private Limited 7. Adept IT solutions (P) Ltd. 8. JSR Networks Pvt. Ltd. 9. Tirupati Steel Traders (Prop: Mahamaya Mines (P) Ltd)

(All amount are in INR lacs unless otherwise stated)

**B) Related Party Transactions:**

Related Party Transactions	Associates	Key Managerial Person	Relatives of Key Managerial Person	Enterprises where KMP or their relatives hold significant influence
<b>Sale of Finished Goods/Fixed assets</b>				
Devi Iron and Power Private Limited Shree Shyam Sponge & Power Limited Shri Rajesh Agrawal (HUF) Tirupati Steel Traders Abhishek Steel Industries Ltd.	19.61			3.96    4,476.24
<b>Purchase of Raw Materials</b>				
Shree Shyam Sponge & Power Limited Abhishek Steel Industries Ltd. Devi Iron and Power Private Limited	3,404.50			855.36 5,895.52
<b>Conversion Charges paid</b>				
Abhishek Steel Industries Ltd.				148.79
<b>Managerial Remuneration</b>				
Shri Rajesh Agrawal Yewesh Yede Brajendra Dwivedi		48.00 1.43 0.40		
<b>Unsecured Loan Received</b>				
Shri Rajesh Agrawal Smt. Rekha Agrawal Antriksh Commerce Private Limited Escort Finvest Private Limited		45.00		0.06 0.07
<b>Unsecured Loan Repaid</b>				
Shri Rajesh Agrawal Smt. Rekha Agrawal Antriksh Commerce Private Limited Escort Finvest Private Limited		50.00 69.50		0.06 0.07
<b>Corporate Guarantees</b>				
Mark Vision Multi Services Private Limited				500.00
<b>Transportation Charges</b>				
Shri Rajesh Agrawal (HUF)			54.69	-
<b>Investments</b>				
Devi Iron and Power Private Limited Abhishek Steel Industries Ltd.	1,396.02			45.39
	4820.13	214.33	54.69	11925.52

**C) Outstanding Balances:**

(All amount are in INR lacs unless otherwise stated)

Description	Outstanding Balance (Rs. In Lacs)	
	Debit/(Credit)	Debit/(Credit)
	31st March 2016	31st March 2015
<b>1. Associates</b>		
1. Raipur Ferro Alloys Limited (under merger with another Company)		
2. Rajesh Re-rollers Limited (under merger with another Company)		
3. Devi Iron and Power Private Limited	387.98	362.30
4. Mahamaya Charitable Foundation		
<b>2. Key Managerial Person</b>		
1. Shri Rajesh Agrawal	(100.00)	(105.00)
2. Smt. Rekha Agrawal	-	(69.50)
<b>3. Relatives of Key Managerial Person</b>		
1. Rajesh Agrawal HUF	13.39	(0.74)
2. Shri Anand Agrawal		
3. Smt. Asha Devi Agrawal		
<b>4. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year</b>		
1. Abhishek Steel Industries Limited	1,040.25	1,160.42
2. Shree Shyam Sponge & Power Limited	823.47	705.98
3. Antriksh Commerce Private Limited		
4. Callidora Traders Private Limited		
5. Mark Vision Multi Services Private Limited		
6. Escort Finvest Private Limited		
7. Adept IT solutions (P) Ltd.		
8. JSR Networks Pvt. Ltd.		
9. Tirupati Steel Traders (Prop: Mahamaya Mines (P) Ltd)		

**NOTE 32 NOTES ON ACCOUNTS****(A) Electricity Duty exemption:**

In the Financial year 2012-13 the company had applied for exemption of electricity duty in respect of electricity consumed in its SMS Plant. The company had been advised that under the Internal Policy of State of Chhattisgarh, it is entitled to get electricity duty exemption of an amount aggregating Rs.882.26 lacs. Out of this amount, an amount of Rs.104.96 lacs pertains to accounting year under review i.e. 2015-16 and the remaining amount i.e. Rs.777.31 lacs pertains to accounting year 2011-12, 2012-13, 2013-14 and 2014-15. The management is of the opinion that the same amount would be realized in the near future.

- (B) The exact impact of the earlier fraud(F.Y -2012-13) committed by one of the employee of the company is Rs. 114.56 lacs. The company had filed a legal suit against the employee and the same is subject to judicial proceedings. Considering the favorable position in the case as consulted with the legal advisor in the case the management has not make any provision in the books of accounts.
- (C) During the year under review, the company has charged interest on outstanding, where the payment was in arrears. The combined effect of interest so applied to the accounts of various Debtors is Rs. 3.14 lacs, recognized as amount due for a period less than 6 months as the recording of this interest has been done during the year.
- (D) Parties' accounts are subject to confirmation. Consequential effects adjustment, presently unascertainable, will be provided as and when confirmed.
- (E) Trade Receivables, Loans & Advances and Deposits include certain over due accounts. Balances in the accounts of certain debtors, loans and advances required to be confirmed / reconciled. However, in the opinion of the Board, all current assets, loans and advances would be realized in ordinary course of the business at the value as stated.
- (F) In the opinion of the Board, the provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (G) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
- (H) Figures of the previous year have been reworked, rearranged/regrouped and reclassified wherever considered necessary. Accordingly, the amount and other disclosures for preceding year are included as an integral part of current year's financial statement and are to be read in relation to the amount and other disclosures relating to current year. The figures in financial statements are rounded off to the nearest lacs rupees.
- (I) Separate segment wise reporting is not called for in view of the fact that mostly the revenue of the Company is from structural manufacturing and all business activities are in India only. The operations of Gas Plant of company are mainly for captive use and the surplus have been sold to external parties amount of Rs. 101.78 lakhs; the same is not fulfilling the criteria



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of (Para 27 of AS-17 (Segment Reporting)) separate reportable segment.

- (J) The management has reviewed the impairment position of the assets disclosed in the financial statement for the year; and there is no indication of impairment (Assets carry cost is less than the recoverable value) loss for the year.
- (K) Unclaimed dividend of earlier years aggregating to Rs 4.61 lakhs deposited in separate bank account, an amount of Rs.2.68 lakhs which is liable to transferred to Investor Education Protection Fund(IEPF) has been duly transferred during the year . Inclusion of the said amount does not have any impact on the profitability of the company.
- (L) The figures in the financial statement have been rounded off to nearest Rupees.

### As per our report of even date attached

For, R.K. Singhania & Associates  
Chartered Accountants  
Registration No. 004435C

Ramesh Kumar Singhania  
Partner  
Membership No. 041880

**Date:** 28<sup>th</sup> May 2016

**Place:** Raipur

For and on behalf of the Board

Rajesh Agrawal  
Managing Director  
DIN - 00806417

Jaswinder Kaur Mission  
Company Secretary

Rekha Agrawal  
Director  
DIN - 00597156

Praveen Kumar Chavda  
CFO

**Date:** 28<sup>th</sup> May 2016

**Place:** Raipur

**Independent Auditor's Report**

**To the Members of  
MAHAMAYA STEEL INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Mahamaya Steel Industries Limited ('the Parent Company'), its associates (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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

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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 consolidated 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 consolidated financial statements.

### **Basis for Qualified Opinion**

The parent company has recognised electricity duty receivable amount of Rs. 1.05 crore (Note No.13 & 24) by the way of reversing electricity duty expenditure for the year; the company has not provided any sanction from the competent authority (CSIDC); in the absence of any reasonable certainty of the ultimate collection the receivable amount is not in line with the Accounting Standard (AS-9)(Revenue Recognition) of ICAI. The company has been following the same procedure for the earlier years which is having a cumulative effect of receivable balance of Rs. 8.82 crores. Had the parent company would not been recognised the same receivable during the year, the consolidated loss of the group would have been enhanced to the extent of Rs. 1.05 crores and the cumulative reduction in the receivable (Current Assets) and share holder's fund to the extent of 8.82 Crores for the year.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for qualified opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at 31st March 2016 and its Consolidated loss and its Consolidated cash flows for the year ended on that date.

### **Emphasis of matters**

We draw attention to the following matter in the notes to the consolidated financial statements;

Note No.18 (Other current assets) of the consolidated financial statement where the parent company had recognised receivable amount of Rs. 114.56 lakhs from one of its employee committed fraud during the earlier financial year, the parent company had filed a legal suit against the employee and the same is subject to judicial proceedings. The outcome of the ultimate realization and the legal suit is not known at present.

### **Other matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company incorporated in India is based on the corresponding report of the auditor of the company. Our opinion is not qualified in this matter.

### **Report on Other Legal and Regulatory Requirements**

7. 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, to the

extent applicable.

8. As required by Section 143 (3) of the Act, we report that to the extent applicable.:
- (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 of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of accounts as required by the law maintained by the parent company, associate company included in the group including relevant records relating to the preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and records of the above company and report of other auditors.
  - (c) the Consolidated balance sheet, the Consolidated statement of profit and loss and the Consolidated cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) Except to the para mentioned above, in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors of the parent company as on 31 March 2016 taken on record by the Board of Directors of the parent company, and the report of the other statutory auditor of the group, none of the directors of the group is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the parent company, its associates companies and the operating effectiveness of such controls, refer to our separate report in Annexure-A' and
  - (g) 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:
    - i. the Consolidated financial statement disclosed the impact if any of pending litigations(Note-29) on its financial position in its consolidated financial statements.
    - ii. the Group in its consolidated financial statements has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the parent and associates Company.

For, R.K. Singhanian & Associates  
Chartered Accountants  
F.R.No. 004435C

**Place :** Raipur  
**Date:** 28<sup>th</sup> May 2016

Ramesh Kumar Singhanian  
Partner  
Membership No. 041880

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHAMAYA STEEL INDUSTRIES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section-3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial controls over financial reporting of Mahamaya Steel Industries Limited ("the Parent Company") its associates as of March 31, 2016 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on the date.

**Management's Responsibility for Internal Financial Controls**

The Group's management 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 the Institute of Chartered Accountants of India (ICAI). 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 its 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respect.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting including those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, 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 statement.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls 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, R.K. Singhania & Associates  
Chartered Accountants  
F.R.No. 004435C

**Place :** Raipur  
**Date :** 28<sup>th</sup> May 2016

Ramesh Kumar Singhania  
Partner  
Membership No. 041880

(All amount are in INR lacs unless otherwise stated)

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars		Note No.	As at 31 <sup>st</sup> March, 2016
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
<b>(1)</b>	<b>Shareholder's Funds</b>		
	(a) Share Capital	2	4,557.04
	(b) Reserves and Surplus	3	6,771.78
<b>(2)</b>	<b>Non-Current Liabilities</b>		
	(a) Long-term borrowings	4	589.34
	(b) Deferred tax liabilities (Net)	5	945.61
	(c) Long term provisions	6	40.28
<b>(3)</b>	<b>Current Liabilities</b>		
	(a) Short-term borrowings	7	6,280.42
	(b) Trade payables	8	691.55
	(c) Other current liabilities	9	1,467.29
	(d) Short-term provisions	10	83.77
	<b>Total</b>		<b>21,427.08</b>
<b>II</b>	<b>ASSETS</b>		
<b>(1)</b>	<b>Non-current assets</b>		
	(a) Fixed assets		
	(i) Tangible assets	11	6,890.51
	(ii) Capital work-in-progress		237.60
	(b) Non-current investments	12	3,345.14
	(c) Long term loans and advances	13	1,800.45
<b>(2)</b>	<b>Current assets</b>		
	(a) Inventories	14	3,700.89
	(b) Trade receivables	15	4,222.40
	(c) Cash and Cash Equivalents	16	602.48
	(d) Short-term loans and advances	17	376.66
	(e) Other current assets	18	250.95
	<b>Total</b>		<b>21,427.08</b>

**Significant Accounting Policies 1**

The Accompanying notes form an integral part of the Financial Statement

**As per our report of even date attached**For, **R.K. Singhania & Associates**Chartered Accountants  
Registration No. 004435C**Ramesh Kumar Singhania**Partner  
(Membership No. 041880)Place : Raipur  
Date: 28<sup>th</sup> May 2016**For and on behalf of the Board****Rajesh Agrawal**  
Managing Director  
DIN - 00806417**Jaswinder Kaur Mission**  
Company Secretary**Rekha Agrawal**  
Director  
DIN - 00597156**Praveen Kumar Chavda**  
CFOPlace : Raipur  
Date: 28<sup>th</sup> May 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2016**

(All amount are in INR lacs unless otherwise stated)		
Particulars	Note No.	For the period ended on 31 <sup>st</sup> March, 2016
I. Revenue from operations	19	30,926.31
II. Other Income	20	111.19
<b>III. Total Revenue (I +II)</b>		<b>31,037.50</b>
IV. Expenses:		
Cost of materials consumed		23,790.91
Changes in inventories of finished goods	21	367.96
Employee benefit expense	22	573.19
Finance costs	23	944.73
Depreciation	11	665.69
Other expenses	24	6,047.21
<b>Total Expenses</b>		<b>32,389.69</b>
V. Profit before exceptional and extraordinary items and tax		<b>(1,352.19)</b>
VI. Exceptional Items	25	154.23
<b>VII. Profit before tax</b>		<b>(1,197.96)</b>
VIII. Tax expense:		
(1) Current tax		-
(2) Tax related to earlier year		-
(3) Deferred tax		327.40
IX. Profit(Loss) for the period from continuing operations		(1,525.36)
X. Profit/(Loss) for the period		<b>(1,525.36)</b>
XI. Earning per equity share:		
(1) Basic	26	(11.24)
(2) Diluted		(11.24)

**Significant Accounting Policies**

The Accompanying notes form an integral part of the Financial Statement

**As per our report of even date attached**

 For, **R.K. Singhania & Associates**

 Chartered Accountants  
 Registration No. 004435C

**Ramesh Kumar Singhania**  
 Partner  
 (Membership No. 041880)

**Place :** Raipur  
**Date :** 28<sup>th</sup> May 2016

**For and on behalf of the Board**
**Rajesh Agrawal**  
 Managing Director  
 DIN - 00806417

**Jaswinder Kaur Mission**  
 Company Secretary

**Rekha Agrawal**  
 Director  
 DIN - 00597156

**Praveen Kumar Chavda**  
 CFO

**Place :** Raipur  
**Date :** 28<sup>th</sup> May 2016



## 28<sup>th</sup> Annual Report 2015-16

### CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR 2015-16

(All amount are in INR lacs unless otherwise stated)

Particulars	2015-16
	(Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>	
i. Net Profit before Tax	(1,197.96)
<b>Adjustment for :-</b>	
Depreciation	665.69
Interest charged to Profit and Loss Account	944.73
Provision for Income Tax	-
(Profit)/ Loss on sale of Fixed Assets	(33.69)
ii. Operating Profit before Working Capital changes	378.77
<b>Adjustment for :-</b>	
(Increase) / Decrease in Trade Receivables	(389.27)
(Increase) / Decrease in Inventories	1,053.08
(Increase)/decrease in Other Receivable	1,304.59
Increase/ (decrease) in Trade Payables and Other liabilities	171.66
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,518.84</b>
<b>TOTAL CASH AVAILABLE FROM OPERATING ACTIVITIES (A)</b>	<b>2,518.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>	
Purchase of Fixed Assets and capital WIP and pre operative exp.	(255.83)
Sale of Fixed Assets	83.87
Investment in Shares / Share Application Money	(1,441.41)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(1,613.37)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	
Proceeds/(Repayment) of Long Term bank Borrowings	155.11
Increase/ (decrease) in provisions	(5.58)
Interest and Bank charges Paid	(944.73)
Proceeds/(Repayment) of Long Term advances	(232.07)
<b>NET CASH USED IN FINANCING ACTIVITIES (C )</b>	<b>(1,027.27)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	(121.80)
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>724.28</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>602.48</b>

- NOTES :** 1) Figures in the brackets represent outflows.  
 2) Cash and cash equivalents includes cash & bank balances only.  
 3) Previous years figures have been regrouped/rearranged wherever necessary.

<b>Significant Accounting Policies</b>	<b>1</b>
The Accompanying notes form an integral part of the Financial Statement	

#### As per our report of even date attached

For, **R.K. Singhania & Associates**  
 Chartered Accountants  
 Registration No. 004435C

**Ramesh Kumar Singhania**  
 Partner  
 (Membership No. 041880)

Place : Raipur  
 Date: 28<sup>th</sup> May 2016

#### For and on behalf of the Board

**Rajesh Agrawal**  
 Managing Director  
 DIN - 00806417

**Jaswinder Kaur Mission**  
 Company Secretary

**Rekha Agrawal**  
 Director  
 DIN - 00597156

**Praveen Kumar Chavda**  
 CFO

Place : Raipur  
 Date: 28<sup>th</sup> May 2016

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR PERIOD ENDED 31<sup>ST</sup> MARCH 2016**

**NOTE 1 - Significant Accounting Policies of the Consolidated Financial Statements :**

**1. Group's Information :**

The consolidated financial statement of the group Consisting of Mahamaya Steel Industries Limited (The Parent company) and its associates companies (collectively hereinafter referred to as "Group").

The Associate Concerns considered in the consolidated financial statements are:

Name of Associates	Country of Incorporation	Proportion of Ownership (%) as on	
		31.03.2016	31.03.2015
Mahamaya Charitable Foundation	India	40.00%	40.00%
Abhishek Steel Industries Limited	India	28.85%	-

**2. Basis Of Preparation Of Financial Statements :**

- (i) The consolidated financial statements have been prepared on Historical Cost convention in accordance with the generally accepted accounting principles ("GAAP") and to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year. Being the first year of consolidation, comparative figures have not been provided.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (iii) Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Parent Company's share of net assets of the associate, in accordance with the Accounting Standard (AS-23) 'Accounting for Investment in Associates in Consolidated Financial Statements'.
- (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Difference in accounting Policies if any have been disclosed separately.
- (v) Figures pertaining to the subsidiaries, associates and joint ventures have been re-classified wherever necessary to bring them in line with the parent company's financial statements.

**3. Use of Estimates**

The preparation of consolidated financial statements in conformity with Indian GAAP requires

## 28<sup>th</sup> Annual Report 2015-16

estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial Statements and the reported amount of revenues & expenses during the reported period. Difference between the actual results and the estimates are recognised in the period in which the results are known / materialised.

### 4. Fixed Assets

- (i) Fixed Assets are stated at cost of acquisition inclusive of duties (net of credit under Cenvat / VAT schemes), taxes, incidental expenses, erection / commissioning expenses, including financing cost till commencement and regularization of commercial production, net charges on foreign exchange contracts and adjustments (if any) arising from exchange rate variation relating to borrowings attributable to the fixed assets are capitalized, less accumulated depreciation as per Schedule II
- (ii) Asset Under Construction as at the Balance sheet date are shown as Capital Work in Progress. It is stated at cost.

### 5. Depreciation and Amortisation

- (i) Depreciation is provided based on useful life of the assets and scrape value (5% of the original cost) as prescribed in schedule II to the Companies Act, 2013 except, in respect of Rolls, where useful life taken for one year only as per technical advise.
- (ii) Leasehold Land is amortised on straight line basis over the period of lease.

### 6. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is normally charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 7. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### 8. Investments

Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

### 9. Inventory Valuation

Inventories are valued at lower of cost or net realizable value. Cost of Finished goods is

determined by including direct materials, labour, other expenses and a proportion of overheads based on normal operating capacity. Cost of finished goods has been determined on weighted average and includes excise duty. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost of raw materials stores and spares, are determined on FIFO basis. By products are valued at net realizable value.

#### **10. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

#### **11. Excise Duty**

Excise Duty is accounted on the basis of, both, payments made in respect of goods cleared as also provision made for finished goods in stock.

#### **12. Recognition of Income and Expenditure**

Mercantile method of accounting is employed unless otherwise specifically stated elsewhere in this schedule. However, where the amount is immaterial/negligible and/or establishment of accrual/determination of amount is not possible, no entries are made for the accruals.

#### **13. Employee's Retirement Benefits**

- (i) Short-term employee benefits are recognized as an expense at the undescended amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

#### **14. Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets (if any). A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

#### **15. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carry forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

**16. Provisions, 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 events and it is probable that there will be an outflow of resources. Contingent Liabilities are generally not provided for in books of account and separate disclosure is made in 'Notes on Accounts". Contingent Assets are neither recognized nor disclosed in the financial statements.

**17 Finance Lease :**

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. A leased assets is depreciated on Straight line over the useful life of the asset.

(All amount are in INR lacs unless otherwise stated)

**NOTE 2 SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Authorised:</b>	
1,50,00,000 (P.Y.1, 50,00,000) Equity Shares of Rs. 10/- (Ten) each	1,500.00
30,00,000 (P.Y. 30,00,000) 8% Preference Shares of Rs. 10/- (Ten) each	300.00
4,20,00,000 (P.Y. 4,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of Rs. 10/- (Ten) each	4,200.00
	<b>6,000.00</b>
<b>Issued:</b>	
1,35,76,000 (P.Y.1, 35,76,000) Equity Shares of Rs. 10/- (Ten) each	1,357.60
3,20,00,000 (P.Y. 3,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of Rs. 10/- (Ten) each	3,200.00
	<b>4,557.60</b>
<b>Subscribed &amp; Paid up:</b>	
1,35,70,400 (P.Y.1, 35,70,400) Equity Shares of Rs. 10/- (Ten) each	1,357.04
3,20,00,000 (P.Y. 3,20,00,000) 8% Redeemable Non Convertible Preference shares of Rs. 10/- (Ten) each	3,200.00
	4,557.04
<b>Total</b>	<b>4,557.04</b>

**NOTE 2a Reconciliation of the number of equity and preference share**

Reconciliation of the number of shares outstanding at the beginning and at the end of the year:	
<b>(a) Equity Shares:</b>	
No of shares outstanding at the beginning of the year	13,570,400
No of shares outstanding at the end of the year	13,570,400
<b>(b) 8% Redeemable Non Cumulative Non Convertible Preference Shares:</b>	
No of shares outstanding at the beginning of the year	32,000,000
No of shares outstanding at the end of the year	32,000,000

**NOTE 2b Number of shares held by each shareholders holding more than 5% shares in the company**

Particular	(Nos. In Lacs) % of Shareholding	
	Number of shares as at 31 <sup>st</sup> March, 2016	% of Holding as at 31 <sup>st</sup> March, 2016
<b>Equity Shares:</b>		
Abhishek Steel Industries Ltd	13.49	9.94%
Gulab Bai Agrawal	10.82	7.97%
Rajesh Agrawal	10.85	7.99%
Ramanand Agrawal	21.28	15.68%
Rajesh Agrawal (HUF)	6.98	5.14%
Ramanand Agrawal (HUF)	7.95	5.86%
Rekha Agrawa	8.95	6.60%
Mahalaxmi TechnoCast Limited	5.90	4.35%
<b>Preference Shares:</b>		
Escort Finvest Private Limited	231.75	72.42%
Antriksh Commerce Private Limited	88.25	27.58%

(All amount are in INR lacs unless otherwise stated)

**NOTE 3 RESERVES AND SURPLUS**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Capital Redemption Reserve:</b>	
Balance as per the last financial statements	2,602.05
Additions during the year	-
Less: Transfer to General Reserve	-
	<b>2,602.05</b>
<b>Securities Premium Account:</b>	
Balance as per the last financial statements	1,000.00
	<b>1,000.00</b>
<b>Capital Investment Subsidy</b>	
Balance as per the last financial statements	5.00
	<b>5.00</b>
<b>General Reserve:</b>	
Balance as per the last financial statements	1,980.23
Less: Transfer to Fixed Assets as per New Cos. Act 2013	-
Add: Transfer from Profit & Loss Account (Surplus)	-
	<b>1,980.23</b>
<b>Surplus:</b>	
Balance as per the last financial statements	2,328.05
Add: Profit/(Loss) for the period	(1,525.36)
Less: Appropriations	
Transfer to General Reserve	-
Transfer to Capital Redemption Reserve	-
	<b>802.69</b>
<b>Capital Reserve on Consolidation</b>	381.81
<b>Total</b>	<b>6,771.78</b>

Note: During the year the Group has not transferred any amount to the capital redemption reserve of preference share to align (excess amount has been transferred in earlier year) the required provision upto the end of this financial year.

**NOTE 4 LONG TERM BORROWINGS**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Secured</b>	
Term Loans from banks	12.09
Vehicle Loans from banks (Secured by way of First pari passu charge on assets of the Company and personal guarantee of some of the directors)	8.61
<b>Unsecured</b>	
From Banks & Others Note : There is no default, as at the balance sheet date, in repayment of any of above Loans.	568.64
<b>Total</b>	<b>589.34</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 4a DETAILS OF REPAYMENT OF TERM LOAN**

Lendger	Nature of Facility	Terms of Payment
Uco Bank, Mid Corporate Branch, Raipur	Term Loan	84 Monthly Instalments of Rs. 7.74 Lacs
Axis Bank Car Loan	Vehicle Loan	19 Monthly Installment of Rs. 1.15 Lacs
Axis Bank Car Loan (Innova Re-Finance)	Vehicle Loan	19 Monthly Installment of Rs. 1.12 Lacs
HDFC Bank Car Loan	Term Loan	24 Monthly Installment of Rs. 0.58 Lacs
Religare Finvest Ltd.	Term Loan	120 Monthly Installment of Rs. 4.52 Lacs
Reliance Capital Ltd.	Term Loan	60 Monthly Installment of Rs. 11.79 Lacs

**NOTE 5 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31 <sup>st</sup> March, 2016
Opening Deferred Tax Liability (Net)	618.21
Add: Deferred Tax liability	641.23
Less: Deferred Tax Assets	
Disallowances under the Income Tax Act	318.28
Add: Reversal of Deferred Tax Assets	941.16
	4.45
<b>Total</b>	<b>945.61</b>

**NOTE 6 LONG- TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March, 2016
Provision for Gratuity (Refer Note 28)	40.28
<b>Total</b>	<b>40.28</b>

**NOTE 7 SHORT TERM BORROWINGS**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Secured</b>	
Working Capital facilities from Banks	
Cash Credit facilities	3,033.89
Letter of Credit facilities	3,146.53
(Secured by way of First pari passu charge on current assets of the Company and personal guarantee of some of the directors.)	
<b>Unsecured</b>	
From related parties (Refer Note 30)	100.00
<b>Note</b> : There is no default, as at the balance sheet date, in repayment of any of above Loans.	
<b>Total</b>	<b>6,280.42</b>



(All amount are in INR lacs unless otherwise stated)

**NOTE 8 TRADE PAYABLES**

Particulars	As at 31 <sup>st</sup> March, 2016
Raw Materials	
- Related Parties (Refer Note 30)	-
- Others	549.59
Stores and Expenses	141.96
<b>Total</b>	<b>691.55</b>

**NOTE 9 OTHER CURRENT LIABILITIES**

Particulars	As at 31 <sup>st</sup> March, 2016
Current maturities of long-term debt	274.68
Security Deposits	-
Advances from Customers	
- Related Parties	-
- Others	584.63
- Transportation Charges	14.59
Creditor for Capital Items	6.24
Provision for Statutory dues	216.39
Provision for Power charges	366.15
Unclaimed Dividends	4.61
<b>Total</b>	<b>1,467.29</b>

**NOTE 10 SHORT-TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March, 2016
Provision for Employees' Salary & Related Expenses	56.02
Other Provisions	27.75
<b>Total</b>	<b>83.77</b>

**NOTE 11 FIXED ASSETS**

PARTICULARS	COST			DEPRECIATION					NETBLOCK		
	AS AT 01.04.2015	Addition During the Period	Deductions During the Period	AS AT 31.03.2016	UP TO 31.03.2015	For the Period	On Deductions (-)	*Dr./Cr./To General Reserve as per schedule II of New Cos. Act 2013	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
1. LEASEHOLD LAND & SITE DEVELOPMENT	37.18	15.53	-	52.71	-	4.18	-	-	4.18	48.53	37.18
2. FREE HOLD LAND	777.61	-	46.15	731.46	-	-	-	-	-	731.46	777.61
3. BUILDING	1,453.84	-	-	1,453.84	348.00	45.50	-	-	393.50	1,060.34	1,105.84
4. PLANT & MACHINERY	10,789.22	7.28	-	10,796.50	5,299.85	567.66	-	-	5,867.51	4,928.99	5,489.37
5. FURNITURE & FIXTURES	117.75	15.21	-	132.96	79.84	12.61	-	-	92.45	40.51	37.91
6. VEHICLES	299.43	-	29.03	270.40	179.00	35.74	25.01	-	189.73	80.67	120.43
<b>TOTAL RS.</b>	<b>13,475.03</b>	<b>38.02</b>	<b>75.18</b>	<b>13,437.87</b>	<b>5,906.69</b>	<b>665.69</b>	<b>25.01</b>	<b>-</b>	<b>6,547.37</b>	<b>6,890.50</b>	<b>7,568.34</b>
7. CAPITAL WORK IN PROGRESS	19.81	217.80	-	237.61	-	-	-	-	-	237.61	19.81
<b>TOTAL RS.</b>	<b>19.81</b>	<b>217.80</b>	<b>-</b>	<b>237.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237.61</b>	<b>19.81</b>
<b>GRAND TOTAL (Rs.)</b>	<b>13,494.84</b>	<b>255.82</b>	<b>75.18</b>	<b>13,675.48</b>	<b>5,906.69</b>	<b>665.69</b>	<b>25.01</b>	<b>-</b>	<b>6,547.37</b>	<b>7,128.11</b>	<b>7,588.15</b>
<b>PREVIOUS YEAR RS.</b>	<b>13,207.16</b>	<b>720.15</b>	<b>432.48</b>	<b>13,494.83</b>	<b>5,233.62</b>	<b>670.32</b>	<b>61.43</b>	<b>(64.18)</b>	<b>5,906.69</b>	<b>7,588.15</b>	<b>7,973.55</b>

Leasehold Land is amortised over the lease period i.e. 99 years commencing from July 2004. The above amortisation amount includes prior period expenditure of Rs. 4.03 Lacs.

(All amount are in INR lacs unless otherwise stated)

**NOTE 12 NON CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Unquoted Equity &amp; Preference Shares</b> <b>(Valued at cost unless otherwise stated)</b>	
<b>In Enterprises controlled by Key Managerial Person:</b>	
1200300 Equity Shares of Rs. 10/- each at Rs. 2.50 each in Shree Shyam Sponge and Power Limited	30.01
<b>In Associate Concerns:</b>	
<b>In Devi Iron and Power Private Limited</b>	
2000000 Equity Shares of Rs.10/- each	200.00
564000 Equity Shares of Rs.10/- each at Premium of Rs. 40/- each	282.00
2247000 Pref. share of Rs. 10/- each at Premium of Rs. 34.50/- each	999.91
1317000 Pref. share of Rs. 100/- each in at Premium of Rs. 6/- each	1,396.02
<b>In Mahamaya Charitable Foundation</b>	
100000 Equity Shares of Rs.10/- each in	10.00
Add : Share of profit/(loss) (net)	(6.74)
<b>Subtotal</b>	3.26
<b>In Abhishek Steel Industries Limited</b>	
2269550 Equity Shares of Rs. 10/- each at Rs.2/-	45.39
Capital Reserve arising at acquisition on associate concerns	388.55
<b>Total</b>	<b>3,345.14</b>

**NOTE 13 LONG TERM LOANS AND ADVANCE**

Particulars	As at 31 <sup>st</sup> March, 2016
(Unsecured, considered good unless otherwise stated)	
Capital Advances:	36.71
Security deposits	881.47
Electricity duty receivable	882.27
<b>Total</b>	<b>1,800.45</b>

**NOTE 14 INVENTORIES**

Particulars	As at 31 <sup>st</sup> March, 2016
Raw materials	564.69
Finished Goods	1,900.69
Stores and spares	1,235.51
(As taken, valued and certified by the management)	
<b>Total</b>	<b>3,700.89</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 15 TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>(Unsecured, considered good unless otherwise stated)</b>	
1) Outstanding for a period exceeding six months from the date they are due for payment	2,979.53
2) Other Debts	1,242.87
<b>Total</b>	<b>4,222.40</b>
* Trade Receivable stated above include debts due by: Company in which director is a Director\ member *	2,251.70

**NOTE 16 CASH AND CASH EQUIVALENTS**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Balances with banks in -</b>	
Fixed Deposits	526.87
Current Accounts	63.13
Unclaimed Dividend Accounts	4.61
	-
Cash on hand	7.87
<b>Total</b>	<b>602.48</b>

**NOTE 17 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March, 2016
<b>(Unsecured, considered good unless otherwise stated)</b>	
Advances for Raw Materials	
Related Parties	-
Others	94.93
Advances for Stores, Consumables and Expenses	137.69
Taxes paid in advance less provisions	56.46
Balances with Commercial Tax Authorities	6.74
Balances with Central Excise Authorities	65.19
Staff, Tour & Imprest advances	15.65
<b>Total</b>	<b>376.66</b>

**NOTE 18 OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March, 2016
Earnest Money deposits with customers	33.69
Prepaid Expenses	42.96
Other Receivable from employee	114.56
Incomes accrued but not due	59.74
<b>Total</b>	<b>250.95</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 19 REVENUE FROM OPERATIONS**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Sale of Products	35,527.20
Sale of services	-
Other operating revenues	21.24
Less:	-
Excise duty	3,815.06
Sales Tax and VAT	807.07
<b>Total</b>	<b>30,926.31</b>

**NOTE 20 OTHER INCOME**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Interest Income	110.34
Income on Foreign Exchange Fluctuation	0.85
<b>Total</b>	<b>111.19</b>

**NOTE 21 (INCREASE) / DECREASE STOCKS OF FINISHED GOODS**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
<b>Stock (At Commencement)</b>	
Finished goods	2,311.71
<b>Stock (At End)</b>	
Finished goods	1,900.69
<b>(Increase) / Decrease Stocks Of Finished Goods</b>	<b>411.02</b>
Variation of Excise duty on Closing stock	(43.06)
<b>Total</b>	<b>367.96</b>

**NOTE 22 EMPLOYEE BENEFIT EXPENSE**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Office Salaries	91.73
Contribution to provident and other funds (office)	0.92
Provision for Gratuity	(5.04)
Workers' Salaries, wages and other Benefits	428.66
Contribution to Provident Fund & ESIC (Plant)	33.17
Staff welfare expenses	23.75
<b>Total</b>	<b>573.19</b>

**NOTE 23 FINANCE COSTS**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Interest expense	835.23
Other financial costs	109.50
<b>Total</b>	<b>944.73</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 24 OTHER EXPENSES**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
<b>A. Manufacturing Expenses</b>	
Power and Fuel	5,334.76
Contractors' Payment	178.17
Conversion Charges	154.03
<u>Repairs and maintenance -</u>	-
Machinery	3.21
Others	15.30
	-
<b>Sub-Total A</b>	<b>5,685.47</b>

<b>B. Administrative, Selling &amp; Distribution Expenses</b>	
Insurance	3.56
Rent	-
Rates & Taxes (excluding taxes on income)	39.81
Directors Remuneration	49.83
Legal & Professional Charges	24.88
Travelling & Conveyance	13.71
Telephone Expenses	6.15
Auditors Remuneration	4.50
Other Administrative Expenses	42.75
Selling & Distribution Expenses	176.55
	-
<b>Sub-Total B</b>	<b>361.74</b>
<b>Total (A+B)</b>	<b>6,047.21</b>

**NOTE 24a PAYMENT TO AUDITORS**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Audit fees	3.00
Tax Audit	1.50
Other services	-
<b>Total</b>	<b>4.50</b>

**NOTE 25 EXCEPTIONAL ITEM**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Profit/ (Loss) on sale of Fixed Assets	33.69
Income / (Expenses) pertaining to prior periods	-
Other non-operating income	78.53
Sundry balances written off	37.01
Government Grant	5.00
	-
<b>Total</b>	<b>154.23</b>

(All amount are in INR lacs unless otherwise stated)

**NOTE 26 EARNING PER SHARE**

Particulars	For the Period ended on 31 <sup>st</sup> March, 2016
Profit after Tax	(1,525.36)
Weighted Average Number of equity shares outstanding during the year	135.70
Nominal Value of equity shares	10.00
Earning Per shares (Basic and diluted)	(11.24)

**NOTE 27 - FINANCIAL LEASES**

In respect of Fixed Assets acquired on finance lease as per Accounting Standard on Leases (AS-19), the minimum lease rentals

outstanding as on 31<sup>st</sup> March 2016 are as follows :

Due	Total Minimum Lease Payments Outstanding as at	Interest not due	Present Value of the minimum lease payments as at
	<b>31.03.16</b>	<b>31.03.16</b>	<b>31.03.16</b>
Not later than one year	30.79	3.17	27.62
Later than one year and not later than five years	8.97	0.37	8.60

**NOTE 28 - EMPLOYEE BENEFITS\***

\* Note of Parent Company

**Defined Benefit Plan :-**
**Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 month and its payable on retirement / termination/ resignation. The benefit vests on the employees after completion of 5 Year of service. The gratuity liability has not been externally funded.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Rs. In Lacs

Particulars	Gratuity (Non-funded)
	31.03.2016
I) Reconciliation of opening & closing balances of defined benefit obligation	
Defined Benefit obligation at beginning of year	45.85
Current Service Cost	13.36
Interest Cost	3.46
Actuarial (gain) / loss	(21.85)
Benefits paid	(0.54)
Defined Benefit obligation at year end	40.28
II) Reconciliation of fair value of assets and obligations	
Defined Benefit obligation	40.28
Fair value of Plan assets	-
	40.28
Less : Unrecognised Past Service Cost	-
Amount recognised in Balance Sheet	40.28
Since the entire amount of plan obligation is unfunded, therefore change in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded, therefore categories of plan asset as a percentage of the fair value of total plan assets and company's expected contribution to the plan assets in the next year is not given.	
III) Expenses recognised during the year (Under the head "Staff cost" - Refer Schedule '22')	
Current Service Cost	13.36
Interest Cost	3.45
Expected return on Plan assets	-
Actuarial (gain) / loss	(21.85)
Net Cost	(5.04)
IV) Investment Details :	-
V) Actuarial assumptions	
Indian Assured Lives Mortality (2006-2008) ultimate	2006-08
Discount rate (per annum)	8.00%
Expected rate of return on plan assets (per annum)	-
Rate of escalation in salary (per annum)	8.00%
Expected Average remaining working lives of employees Years)	26.25
Employee Turnover	8% at younger ages and reducing to 1% at older age according to graduated scale

Principal Plan is under Payment of Gratuity Act 1972 (as amended up to date).



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(All amount are in INR lacs unless otherwise stated)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

VI) Amount for the current and previous four year are as follows:

Sr. No.	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	Present Value of obligation	40.28	45.85	40.77	51.74	-
2	Fair Value of Plan Assets	-	-	-	-	-
3	Surplus/(Deficit)	(40.28)	(45.85)	(40.77)	(51.74)	-
4	Experience Adjustment on plan liabilities	-	1.88	21.52	-	-
5	Experience Adjustment on plan assets	-	-	-	-	-

### NOTE 29 CONTINGENT LIABILITY

Particulars	As at 31 <sup>st</sup> March, 2016
Income Tax Demand	945.67
Sales Tax Demands under appeal	4.98
Excise Duty liabilities under appeal & adjudication	176.97
Outstanding Bank Guarantees	178.25

### NOTE 30 RELATED PARTY DISCLOSURES

Disclosure of transactions with related parties, as required by Accounting Standard - 18 "Related Party Disclosures" has been set-out in a separate statement annexed to this schedule. Related parties as defined under Clause 3 of the Accounting Standard have been identified on the basis of representations made by Key Managerial Personnel and information available with the Company.

#### A) Name of the related party and nature of relationship where control exists:

Nature of Relationship	Name of Related Party
A. Associate Concerns	1. Abhishek Steel Industries Limited 2. Mahamaya Charitable Foundation
B. Key Managerial Persons	1. Shri Rajesh Agrawal 2. Smt. Rekha Agrawal
C. Relatives of Key Managerial Persons	1. Rajesh Agrawal HUF 2. Shri Anand Agrawal 3. Smt. Asha Devi Agrawal 4. Shri Ramanand Agrawal 5. Shri Ramanand Agrawal (HUF) 6. Smt. Gulab Bai Agrawal
D. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year	1. Shree Shyam Sponge & Power Limited 2. Antriksh Commerce Private Limited 3. Callidora Traders Private Limited 4. Mark Vision Multi Services Private Limited 5. Devi Iron and Power Private Limited 6. Escort Finvest Private Limited 7. Adept IT solutions (P) Ltd. 8. JSR Networks Pvt. Ltd. 9. Tirupati Steel Traders (Prop: Mahamaya Mines (P) Ltd)

(All amount are in INR lacs unless otherwise stated)

**B) Related Party Transactions:**

<b>Related Party Transactions</b>	<b>Associates</b>	<b>Key Managerial Person</b>	<b>Relatives of Key Managerial Person</b>	<b>Enterprises where KMP or their relatives hold significant influence</b>
<b>Sale of Finished Goods/Fixed assets</b>				
Devi Iron and Power Private Limited Shree Shyam Sponge & Power Limited Shri Rajesh Agrawal (HUF) Tirupati Steel Traders Abhishek Steel Industries Ltd.	19.61			3.96    4,476.24
<b>Purchase of Raw Materials</b>				
Shree Shyam Sponge & Power Limited Abhishek Steel Industries Ltd. Devi Iron and Power Private Limited	3,404.50			855.36 5,895.52
<b>Conversion Charges paid</b>				
Abhishek Steel Industries Ltd.				148.79
<b>Managerial Remuneration</b>				
Shri Rajesh Agrawal Yewesh Yede Brajendra Dwivedi		48.00 1.43 0.40		
<b>Unsecured Loan Received</b>				
Shri Rajesh Agrawal Smt. Rekha Agrawal Antriksh Commerce Private Limited Escort Finvest Private Limited		45.00		0.06 0.07
<b>Unsecured Loan Repaid</b>				
Shri Rajesh Agrawal Smt. Rekha Agrawal Antriksh Commerce Private Limited Escort Finvest Private Limited		50.00 69.50		0.06 0.07
<b>Corporate Guarantees</b>				
Mark Vision Multi Services Private Limited				500.00
<b>Transportation Charges</b>				
Shri Rajesh Agrawal (HUF)			54.69	
<b>Investments</b>				
Devi Iron and Power Private Limited Abhishek Steel Industries Ltd.	1,396.02			45.39
	4,820.13	214.33	54.69	11,925.52

(All amount are in INR lacs unless otherwise stated)

**C) Outstanding Balances:**

Description	Outstanding Balance	
	Debit/(Credit)	Debit/(Credit)
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>1. Associates</b>		
1. Raipur Ferro Alloys Limited (under merger with another Company)		
2. Rajesh Re-rollers Limited (under merger with another Company)		
3. Devi Iron and Power Private Limited	387.98	362.30
4. Mahamaya Charitable Foundation		
<b>2. Key Managerial Person</b>		
1. Shri Rajesh Agrawal	(100.00)	(105.00)
2. Smt. Rekha Agrawal	-	(69.50)
<b>3. Relatives of Key Managerial Person</b>		
1. Rajesh Agrawal HUF	13.39	(0.74)
2. Shri Anand Agrawal		
3. Smt. Asha Devi Agrawal		
<b>4. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year</b>		
1. Abhishek Steel Industries Limited	1,040.25	1,160.42
2. Shree Shyam Sponge & Power Limited	823.47	705.98
3. Antriksh Commerce Private Limited		
4. Callidora Traders Private Limited		
5. Mark Vision Multi Services Private Limited		
6. Escort Finvest Private Limited		
7. Adept IT solutions (P) Ltd.		
8. JSR Networks Pvt. Ltd.		
9. Tirupati Steel Traders (Prop: Mahamaya Mines (P) Ltd)		

**Details of Associate Companies**

S.No.	Name of the Company	% of Holding	Investment (at Cost) in Rs.
		31.03.2016	31.03.2016
1.	Abhishek Steel Industries Limited	28.85%	4,539,100
2.	Mahamaya Charitable Foundation	40.00%	1,000,000

S.No.	Particulars	No. of Shares	Date of acquisition	Change in % of Holding	CUM % of Holding
1.	Abhishek Steel Industries Limited	2,269,550	31-Mar-16	28.85%	28.85%
2.	Mahamaya Charitable Foundation	100,000	01-Apr-06	40.00%	40.00%

(All amount are in INR lacs unless otherwise stated)

**1. Cost of Control - Amount will be same for both 31.03.2016 (in Rs.)**

Particulars	Abhishek Steel Industries Limited	Mahamaya Charitable Foundation
Carrying amount of Investment	4,539,100	1,000,000
Less: Share in Equity	2,269,644	1,000,000
Share in Pre Security Premium	47,130,081	-
Share in General Reserve	2,805,622	-
Share in Pre Surplus	(8,811,114)	-
Goodwill / (Capital Reserve)	(38,855,132)	-
<b>2. Reserve for CBS</b>		
Closing Balance form Mahamaya Steel	80,268,783	
Add: Share of Post Acquisition Profit from Abhishek Steel	-	
Add: Share of Post Acquisition Profit from Mahamaya Charitable	(674,453)	
<b>Net Amount for CBS</b>	79,594,330	
<b>3. Carrying amount of Investment in Associates Companies</b>	<b>Abhishek Steel Industries Limited</b>	<b>Mahamaya Charitable Foundation</b>
Mahamaya Steel share of net assets of Company	43,394,232	1,000,000
Add: Mahamaya Steel Share of Post Acquisition Profits of Mahamaya Charitable	-	(674,453)
Net for CBS	43,394,232	325,547

Additional information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to the Schedule III to the Companies Act,2013 :

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or ( loss ) for the year	
	As % of consolidated net assets	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)
(1)	(2)	(3)	(4)	(5)
<b>(a) Parent Subsidiaries</b>				
<b>Indian</b>				
<b>(b) Associates</b>				
Indian	-	-	-	-
Mahamaya Charitable Foundation	0.03%	325,547	0.00%	3,586
Abhishek Steel industries ltd	0.40%	4,539,100	13.46%	(20,535,433)
Foreign	-	-	-	-
<b>(c) Joint Ventures</b>				
Indian	-	-	-	-
Foreign	-	-	-	-
<b>TOTAL</b>	<b>0.43%</b>	<b>4,864,647</b>	<b>13.46%</b>	<b>(20,531,846)</b>

## 28<sup>th</sup> Annual Report 2015-16

Statement containing salient features of the financial statement of subsidiaries/associate companies in FORM AOC-1 as required under first proviso to sub-section (3) of Section 129 of the Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 are as under :

### Part "A": Subsidiaries

S.No.	Particulars	Details
1	Name of the Subsidiary Company	NA
2	Reporting Period for the subsidiary concerned	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4	Share Capital	
5	Reserves and Surplus	
6	Total Assets	
7	Total Liabilities	
8	Investments - Long Term	
9	Total Revenue (Including other income)	NA
10	Profit Before Taxation	
11	Provision for Taxation (including all deferred tax expenses)	
12	Profit After Taxation	
13	Proposed Dividend	
14	Percentage of Holding	

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures :

Particulars		Mahamaya Charitable Foundation
1	Latest audited Balance Sheet Date	31.03.2016
2	Shares of Associate held by the company on the year end	40%
a.	No. of Shares	100,000
b.	Amount of Investment (in Rs)	1,000,000
c.	Extend of Holding (in %)	40.00%
3	Description of how there is significant influence	: Substantial Holding in the company i.e. more than 20%.
4	Reason why the associates is not consolidated	: Not applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet (in Rs.)	804,901
6	Profit/Loss for the year (in Rs.)	8,966
i.	Considered in Consolidation (in Rs.)	3,586
ii.	Not Considered in Consolidation (in Rs.)	5,380

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures :

<b>Particulars</b>		<b>Abhishek Steel Industries Ltd.</b>
1	Latest audited Balance Sheet Date	31.03.2016
2	Shares of Associate held by the company on the year end	28.85%
a.	No. of Shares	2,269,550
b.	Amount of Investment (in Rs.)	4,539,100
c.	Extend of Holding (in %)	28.85%
3	Description of how there is significant influence	: Substantial Holding in the company i.e. more than 20%.
4	Reason why the associates is not consolidated	: Not applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet (in Rs.)	84,069,804
6	Profit/Loss for the year (in Rs.)	(31,534,735)
i.	Considered in Consolidation (in Rs.)	(9,097,771)
ii.	Not Considered in Consolidation (in Rs.)	(22,436,964)

**NOTE 31 NOTES ON ACCOUNTS**

**(A) Electricity Duty exemption:**

In the Financial year 2012-13 the parent company had applied for exemption of electricity duty in respect of electricity consumed in its SMS Plant. The parent company had been advised that under the Internal Policy of State of Chhattisgarh, it is entitled to get electricity duty exemption of an amount aggregating Rs.882.26 lacs. Out of this amount, an amount of Rs.104.96 lacs pertains to accounting year under review i.e. 2015-16 and the remaining amount i.e. Rs.777.31 lacs pertains to accounting year 2011-12, 2012-13, 2013-14 and 2014-15. The management is of the opinion that the same amount would be realized in the near future.

**(B)** The exact impact of the earlier fraud(F.Y -2012-13) committed by one of the employee of the parent company is Rs 114.51 lacs. The company had filed a legal suit against the employee and the same is subject to judicial proceedings. Considering the favourable position in the case as consulted with the legal advisor in the case the management has not make any provision in the books of accounts.

**(C)** During the year under review, the parent company has charged interest on outstandings, where the payment was in arrears. The combined effect of interest so applied to the accounts of various Debtors is Rs. 3.14 lacs, recognized as amount due for a period less than 6 months as the recording of this interest has been done during the year.

**(D)** Parties' accounts are subject to confirmation. Consequential effects adjustment, presently unascertainable, will be provided as and when confirmed.

**(E)** Trade Receivables, Loans & Advances and Deposits include certain over due accounts. Balances in the accounts of certain debtors, loans and advances required to be confirmed / reconciled. However, in the opinion of the Board, all current assets, loans and advances would be realized in ordinary course of the business at the value as stated.

**(F)** Separate segment wise reporting is not called for in view of the fact that mostly the revenue of the Parent Company is from structural manufacturing and all business activities are in India only. The operations of Gas Plant of Parent Company are mainly for captive use and the surplus have been sold to external parties amount of Rs. 101.78 lakhs; the same is not fulfilling the criteria of (Para 27 of AS-17 (Segment Reporting)) separate reportable segment.

**(G)** The Group has reviewed the impairment position of the assets disclosed in the financial statement for the year; and there is no indication of impairment (Assets carry cost is less than the recoverable value) loss for the year.

**(H)** Unclaimed dividend of Parent Company of ealier years aggregating to Rs. 4.61 lakhs deposited in separate bank account, an amount of Rs.2.68 lakhs which is liable to

transferred to Investor Education Protection Fund(IEPF) has been duly transferred during the year . Inclusion of the said amount does not have any impact on the profitability of the parent company.

(I) The figures in the financial statement have been rounded off to nearest Rupees.

**As per our report of even date attached**

For, **R.K. Singhania & Associates**  
Chartered Accountants  
Registration No. 004435C

**Ramesh Kumar Singhania**  
Partner  
(Membership No. 041880)

**Place :** Raipur  
**Date:** 28<sup>th</sup> May 2016

**For and on behalf of the Board**

**Rajesh Agrawal**  
Managing Director  
DIN - 00806417

**Jaswinder Kaur Mission**  
Company Secretary

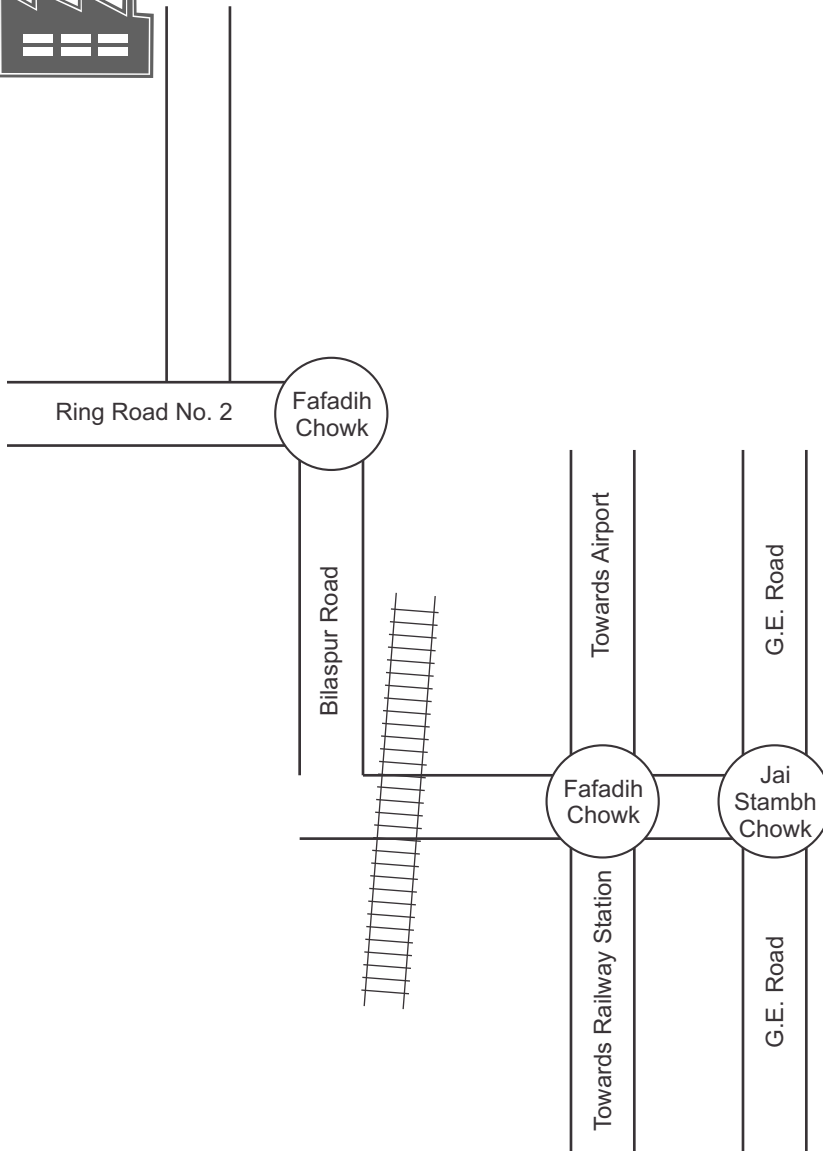
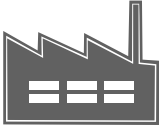
**Rekha Agrawal**  
Director  
DIN - 00597156

**Praveen Kumar Chavda**  
CFO

**Place :** Raipur  
**Date:** 28<sup>th</sup> May 2016



**Mahamaya  
Steel Industries**









# MAHAMAYA STEEL INDUSTRIES LIMITED

Regd. Office : B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221, Chhattisgarh  
Telephone: +91 771 4006666, Fax No.: +91 771 4006611  
Email: csmahamaya@gmail.com, Website: www.mahamayagroup.in  
(CIN: L27107CT1988PLC004607)

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

Name of Shareholder(s) or Proxy (In Block Letters) .....

Registered Folio No./ DP ID & Client ID No.....

No. of Shares held.....

I / We, hereby record my / our attendance at the 28<sup>th</sup> Annual General Meeting of the Company being held at B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur - 493 221, Chhattisgarh on Monday, 11<sup>th</sup> July, 2016 at 11.00 am

Signature of Shareholder or Proxy .....

## ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Password
160611001	Please refer to Note No. 12 of Notice	



# MAHAMAYA STEEL INDUSTRIES LIMITED

Regd. Office : B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221, Chhattisgarh  
Telephone: +91 771 4006666, Fax No.: +91 771 4006611  
Email: csmahamaya@gmail.com, Website: www.mahamayagroup.in  
(CIN: L27107CT1988PLC004607)

## Registration of e-mail address for future communication

Name of Shareholder(s) (In Block Letters) .....

Registered Address .....

E-mail Id .....

Registered Folio No./ DP ID & Client ID No .....

Signature of Shareholder(s) .....



# MAHAMAYA STEEL INDUSTRIES LIMITED

Regd. Office : B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221, Chhattisgarh

Telephone: +91 771 4006666, Fax No.: +91 771 4006611

Email: csmahamaya@gmail.com, Website: www.mahamayagroup.in  
(CIN: L27107CT1988PLC004607)

## PROXY FORM Form MGT-11

[Pursuant to this Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Share holder (s) (In Block Letters).....

Registered Address.....

E-mail Id.....

Registered Folio No. / DP ID & Client ID No.....

I/We being the member(s) of ..... shares of Mahamaya Steel Industries Limited, hereby appoint:

1) Name:..... Address.....

Email ID:..... Signature.....

or failing him/her

2) Name:..... Address.....

Email ID:..... Signature.....

or failing him/her

3) Name:..... Address.....

Email ID:..... Signature.....

or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 11<sup>th</sup> July, 2016 at 11.00 am at B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur - 493 221, Chhattisgarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Description	Type of Resolution	For	Against
<b>ORDINARY BUSINESS</b>			
1. Adoption of Financial Statement including the Consolidated Financial Statements for the year ended March 31, 2016	Ordinary		
2. Appointment of Mrs. Rekha Agrawal, Director of the Company who retires by rotation.	Ordinary		
3. Ratification of Appointment of M/s. R.K. Singhania & Associates, Chartered Accountants as Statutory Auditors of the Company	Ordinary		
<b>SPECIAL BUSINESS</b>			
4. Appointment of Mr. Yewesh Yede as a Director of the Company.	Ordinary		
5. Ratification of Remuneration payable to M/s S.C. Mohanty & Associates, Cost Auditors of the Company.	Ordinary		
6. Approval of Related Party Transactions	Special		

Signed this..... day of..... 2015

Signature of Shareholder(s).....

Signature of Proxy holder(s).....

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix  
Revenue  
Stamp





# MAHAMAYA



Book-Post

If undelivered please return to :

**MAHAMAYA STEEL INDUSTRIES LIMITED**

B/8-9, Sector-C, Urla Industrial Area,  
Sarora, Raipur-493 221 (C.G.) INDIA  
Phone: +91 771 4006666



**REGD. OFFICE & WORKS :**  
B/8-9, Sector-C, Sarora,  
Urla Industrial Complex,  
Raipur-493 221 Chhattisgarh



Phone : +91-771-4006666 (30 Lines)  
Fax : +91-771-2324401  
E-mail : marketing@mahamayagroup.in  
Website : www.mahamayagroup.in

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG - WITH ANNUAL AUDITED FINANCIAL RESULTS - STANDALONE**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016  
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	31,191.73	31,191.73
	2.	Total Expenditure	32,717.09	32,822.05
	3.	Net Profit / (Loss)	(1,525.36)	(1,630.32)
	4.	Earnings Per Share	(11.24)	(12.01)
	5.	Total Assets	21,045.28	20,163.02
	6.	Total Liabilities (Other than Net Worth)	12,700.32	12,700.32
	7.	Net Worth	8,344.96	7,462.70
	8.	Any other financial item(s) (as felt appropriate by the Management)	-	-

**II. Audit Qualification**









**a. Details of Audit Qualification :**

**Regarding Electricity Duty Exemption**

The company has recognized electricity duty receivable amount of Rs.1.05 crores (Note No.13 & 25) by the way of reversing electricity duty expenditure for the year; the company has not provided any sanction from the competent authority (CSIDC); in the absence of any reasonable certainty of the ultimate collection the receivable amount is not in line with the Accounting Standard (AS-9) (Revenue Recognition) of ICAI. The company has been following the same procedure for the earlier years which is having a cumulative effect of receivable balance of Rs. 8.82 crores. Had the company would not been recognised the same receivable during the year, the profit of the company would have been reduced to the extent of Rs.1.05 crores and the cumulative reduction in the receivable (Current Assets) and share holder's fund to the extent of 8.82 Crores for the year.





	b. Type of Audit Qualification : Qualified Opinion	
	c. Frequency of Qualification : Appearing third time (from the year ended 31 <sup>st</sup> March, 2014).	
	d. For Audit Qualification where the impact is quantified by the Auditor Management's Views:  The Company is eligible for electricity duty subsidy under the Industrial Policy of the State of Chhattisgarh. In this regard Company had already filed an application to the CGM DIC and now CGM DIC had recommended same to Industry of Secretary along with all papers and documents which is well progressed and is in final stage. Therefore there is reasonable certainty regarding ultimate collection of the same. So company has recognized it in books of account in accordance with the accounting standards.	
	e. For Audit Qualification where the impact is not quantified by the Auditor: Not Applicable	
III.	Signatories:	
	For Mahamaya Steel Industries Limited  Rajesh Agrawal Managing Director 	For Mahamaya Steel Industries Limited  Niraj Kansal Audit Committee Chairman 
	For Mahamaya Steel Industries Limited  Praveen Kumar Chavda Chief Financial Officer 	For R.K. Singhania & Associates Chartered Accountants Firm Reg No. 004435C  Ramesh Kumar Singhania Partner Membership No. 041880 

Place: Raipur

Date: 28.05.2016



**REGD. OFFICE & WORKS :**  
B/8-9, Sector-C, Sarora,  
Urla Industrial Complex,  
Raipur-493 221 Chhattisgarh



Phone : +91-771-4006666 (30 Lines)  
Fax : +91-771-2324401  
E-mail : marketing@mahamayagroup.in  
Website : www.mahamayagroup.in

## STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG - WITH ANNUAL AUDITED FINANCIAL RESULTS - CONSOLIDATED

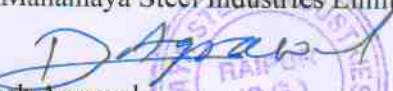





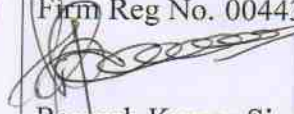

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	31,191.73	31,191.73
	2.	Total Expenditure	32,717.09	32,822.05
	3.	Net Profit / (Loss)	(1,525.36)	(1,630.32)
	4.	Earnings Per Share	(11.24)	(12.01)
	5.	Total Assets	21,427.09	20,544.83
	6.	Total Liabilities (Other than Net Worth)	12,700.32	12,700.32
	7.	Net Worth	8,726.77	7,844.51
	8.	Any other financial item(s) (as felt appropriate by the Management)	-	-

II.	Audit Qualification
	<p>a. Details of Audit Qualification :</p> <p><b>Regarding Electricity Duty Exemption</b> The Parent Company has recognized electricity duty receivable amount of Rs.1.05 crores(Note No.13&amp; 24) by the way of reversing electricity duty expenditure for the year; the company has not provided any sanction from the competent authority (CSIDC);in the absence of any reasonable certainty of the ultimate collection the receivable amount is not in line with the Accounting Standard (AS-9)(Revenue Recognition) of ICAI. The company has been following the same procedure for the earlier years which is having a cumulative effect of receivable balance of Rs. 8.82</p>





	crores. Had the company would not been recognised the same receivable during the year, the profit of the company would have been reduced to the extent of Rs.1.05 crores and the cumulative reduction in the receivable (Current Assets) and share holder's fund to the extent of 8.82 Crores for the year.	
	b. Type of Audit Qualification : Qualified Opinion	
	c. Frequency of Qualification : Appearing third time (from the year ended 31 <sup>st</sup> March, 2014).	
	d. For Audit Qualification where the impact is quantified by the Auditor Management's Views:  The Parent Company is eligible for electricity duty subsidy under the Industrial Policy of the State of Chhattisgarh. In this regard Company had already filed an application to the CGM DIC and now CGM DIC had recommended same to Industry of Secretary along with all papers and documents which is well progressed and is in final stage. Therefore there is reasonable certainty regarding ultimate collection of the same. So company has recognized it in books of account in accordance with the accounting standards.	
	e. For Audit Qualification where the impact is not quantified by the Auditor: Not Applicable	
III.	Signatories:	
	For Mahamaya Steel Industries Limited  Rajesh Agrawal Managing Director 	For Mahamaya Steel Industries Limited  Niraj Kansal Audit Committee Chairman 
	For Mahamaya Steel Industries Limited  Praveen Kumar Chavda Chief Financial Officer 	For R.K. Singhania & Associates Chartered Accountants Firm Reg No. 004435C  Ramesh Kumar Singhania Partner Membership No. 041880 

Place: Raipur

Date: 28.05.2016