

25
Years of
Entrepreneurship

MAHAMAYA

ISO 9001 : 2008



MAHAMAYA STEEL INDUSTRIES LIMITED

25TH ANNUAL REPORT 2012-13

CONTENTS

Page No.

Chairman's Speech	01
Managing Director's Vision	03
Financial Highlights	04
Notice of Annual General Meeting	05
Directors' Report	08
Secretarial Auditor's Certificate on Corporate Governance	27
Auditors' Report	28
Financial Statements	33

COMPANY'S GENERAL INFORMATION

BOARD OF DIRECTORS:

Mr. Ramanand Agrawal
Mr. Rajesh Agrawal
Mrs. Gulabbai Agrawal
Mr. Neeraj Kansal
Mr. Manish Kumar Agrawal
Mr. Atul Garg

Chairman
Managing Director
Executive Director
Independent Director
Independent Director
Independent Director

COMPANY SECRETARY:

Mrs. Jaswinder Kaur Mission

STATUTORY AUDITOR:

M/s Batra Deepak & Associates
Chartered Accountants,
Ashoka Plaza Complex,
Shop No. 28, 2nd Floor,
Vidhan Sabha Road,
Raipur – 492001 (Chhattisgarh)

COST AUDITOR:

M/s. S.C. Mohanty & Associates
Prem Poon, Pt. Dindayal Upadhyay Nagar,
Akash Gas Godown Road, P.O.: Gudiary,
Raipur – 492011 (Chhattisgarh)

BANKERS:

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

REGISTERED OFFICE & WORKS:

Plot B/8-9, Sector–C,
Urla Industrial Area,
Sarora, Raipur – 493221 (Chhattisgarh)
Telephone: +91 771 4006666 (30 Lines)
Fax No.: +91 771 4006611
E-mail: rslyp@satyam.net.in
Website: www.mahamayagroup.in

REGISTRAR & SHARE TRANSFER AGENT:

System Support Services,
209, Shiva Industrial Estate,
89, Andheri Kurla Road,
Sakinaka, Andheri (E),
MUMBAI – 400072

From the Chairman's Desk



Dear Shareholders,

It gives me immense pleasure to share with you that Mahamaya Group has completed its 25 years, "Mahamaya Group" since its foundation in 1988, has been guided by its basic management philosophy, which states that the mission of an enterprise is to contribute to the progress and development of the society and the well being of its people. We promise that the Company will continue to enrich the lives of people.

This opportunity provides not only to review the past year but it also allows to say on behalf of your directors and senior management about the year ahead and the future direction and strategy of your Company.

Most notably, while one cannot predict which way the markets will go, as they are very fickle at present, the board and executives focus is very much on profitable execution of the business strategy.

The New Year has started well on a number of fronts such as:

Installed Gasifier: *So that the re-heating furnace can function with the help of gas rather than with costly furnace oil, thus the cost of production is brought down.*

Hot Charging: Direct feeding of raw material from CCM to rolling mill, this will help to cut the cost required for the re-heating of raw material. Your Company is first in the country to start this system, which is indigenously developed by your Managing Director.

New Product: The Company has started manufacturing of new products i.e. Flats, Rounds and un-equal Angles. This will help to venture out to the new possibilities in the market and to create better opportunities.

New Business: Jindal Steel & Power Ltd has entered into a conversion agreement with your Company. The Company has started business with OPAL-ONGC, Fedder International and Zonal Railways.

Furthermore, the Company is looking to the possibility of Mill to Mill supply Tie-Up With Mitsui & Company Ltd, Japan. The Managing Director of your Company has visited the factory at Thailand and initiated the process. This system is in its very initial stage but is expected to grow very fast.

Though the turn-over of your Company is comparatively less than that of previous year, but the Board & Senior Management is confident of doing much better in coming years. We will create more opportunity for more business and more growth.

*“Growth is never by mere chance,
It is the result of forces working together”*

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 2013-14 and beyond.

With best regards:

Ramanad Agrawal

Chairman

Vision.....



Follow your Dreams

*It's so easy to give up on things when they don't go our way,
We must learn to stay with our dreams and never let them stray,
Only to live with me "what ifs" that we will continue to ponder,
But keep working hard and you will never have to wonder,*

Follow your Dreams

*There will be plenty of times when we will fall far off track,
But the passion in your heart will always bring you back,
Learn to hold on to something other than the doubt in your mind,
We all know the saying, "Good things come in time",*

Follow your Dreams

*Do not only follow your dreams, but chase them as well,
The effort you put in, will make your results be swell,
When you feel like giving up, understand it's not as easy as it seems,
But continue working hard and always follow your dreams.*

Despite having to face stiff headwinds through the year, I must compliment the attitude and determination shown by the employees of your Company. I would also like to place on record my deep appreciation for the support and loyalty of your Company's customers, dealers and suppliers and look forward to their continuing association in the years ahead.

With warm Regards,

Rajesh Agrawal
Managing Director

FINANCIAL HIGHLIGHTS

PROFITABILITY (₹ In Lacs)	2012-13	2011-12	2010-11
Gross Sales	38307.42	60813.55	63480.01
Excise Duty	3984.01	5508.52	5496.65
Sales Tax and VAT	990.59	1324.88	1335.44
Net Sales	33332.82	53980.15	56647.92
EBIDTA	1295.99	2454.48	2919.62
Depreciation	527.22	542.46	731.82
Interest	618.78	795.79	605.06
Profit Before Tax and Prior Period Adjustment	149.98	1116.23	1582.75
Prior Period Adjustment	139.30	3.04	-9.81
Profit Before Tax	289.27	1119.27	1572.94
Provision for Current Tax	69.41	272.30	357.79
Income Tax Pertaining to Earlier Year	7.73	-0.02	0.18
Provision for Deferred Tax	30.43	86.66	101.20
Net Profit	181.70	760.33	1113.76
Earning Per Share	1.34	5.60	8.21





NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Mahamaya Steel Industries Ltd will be held on 30th September, 2013 at 1.30 pm at its 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 receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Gulab Bai Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Neeraj Kansal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Batra Deepak & Associates, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and are hereby authorized to fix their remuneration.”

By Order of the Board of Directors’

Place : Raipur

Date : 05th September, 2013

Ramanand Agrawal
CHAIRMAN

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 01.00 pm on 28th September, 2013.
2. Corporate members are requested to send duly certified copy of the Board resolution, pursuant to section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2013 to 30th September, 2013 (both days inclusive).
4. Members may avail nomination facility as provided under Section 109 A of the Companies Act, 1956.
5. Members are requested to intimate to the Company the changes in the address, if any, to the Company's Registrar & Transfer Agent M/s System Support Services, 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072.
6. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in Physical/dematerialized form, as the case may be, in all correspondence with the Company / Registrar & Transfer Agent.
7. Members who are registered under two or more Ledger Folio's are requested to write to the Registrar & Transfer Agent of the Company for consolidation, giving particulars of such Folios along with the relevant Share Certificates.
8. Members who still have their holdings in physical form are requested to convert them in to dematerialized form (under ISIN No. INE451L01014)
9. As per Section 205 C of the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investors' Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the fund.
10. Members who have not yet encashed their dividend warrant(s) for the financial year 2006-07, 2007-08, 2008-09, and 2009-10 are requested to lodge their claims to the Company accordingly, without any delay.
11. The Securities and Exchange Board of India (SEBI) vide its circular ref no. MRD/DoP/Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Registrar & Transfer Agent for registration of such transfer of shares irrespective of the amount of such transaction. All intended transferee(s) are, therefore requested to furnish a self certified copy of their PAN Card along with the relevant transfer deed for registration of shares. Please note that the shares lodged for transfer without self certified copy of PAN Card of the transferee(s) shall be returned under objection.
12. Members who wish to obtain information on the Company or view the accounts for the financial year ended 31st March, 2013 are requested to send their queries at least 10 days before the Annual General Meeting of the Company to the Company Secretary at the Registered Office of the Company.
13. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. Therefore we request you to provide your e-mail ID to our Registrar & Transfer Agent to send the Annual Report and other communication from the Company electronically.
14. Members are requested to bring their admission slips along with copy of the annual report to the Meeting.

Annexure to the Notice**Details of the directors seeking re-appointment in forthcoming
Annual General Meeting****(Pursuant to Clause 49 of the Listing Agreement)**

Name of Directors	Mrs. Gulab Bai Agrawal	Mr. Neeraj Kansal
Age	76 years	43 years
Date of Appointment	01.08.2001	27.09.2003
Expertise in specific functional area	Having rich experience of more than 41 years in commercial activities.	Having an experience of more than 19 years in Business and Industrial Sector
List of Companies in which Directorship held as on 31st March, 2013. (Other than Mahamaya Steel Industries Ltd.)	<ul style="list-style-type: none"> • Mark Vision Multi Services Pvt. Ltd. • Adept IT Solutions Pvt. Ltd. 	Nil
Chairman/Member of Committees of the Boards of other Companies, in which he/she is a Director as on 31st March, 2013.	Nil	Nil

Committees for the above purpose only Audit, Investor Grievance and Remuneration Committee is considered.

By Order of the Board of Directors'**Place :** Raipur**Date :** 05th September, 2013

Ramanand Agrawal
CHAIRMAN

DIRECTORS' REPORT***Dear Shareholders,***

Your Directors have pleasure in presenting the 25th Annual Report of your Company together with the statement of Audited Accounts for the year ended 31st March, 2013.

1. FINANCIAL HIGHLIGHTS:

(₹ In Lacs)

Particulars	2012-13	2011-12
Sales	38307.42	60813.55
EBIDTA	1295.99	2454.48
Profit Before Tax	289.27	1119.27
Provision for Income Tax	77.14	272.28
Deferred Tax Provision	30.43	86.66
Profit After Tax	181.70	760.33
Appropriations:		
Amount transferred to General Reserve	36.34	152.06
Amount transferred to Redemption Reserve	509.00	523.15
Add: Brought forward Profit (Losses)	2751..19	2666.08
Profit (Loss) carried over to Balance Sheet	2387.55	2751.19

2. OPERATIONS:

The gross turnover of the Company is ₹ 38307.42 lacs as against 60813.55 lacs in the previous year. The EBIDTA is ₹ 1295.99 lacs as compared to ₹ 2454.48 lacs in the previous year.

The current business environment is difficult and challenging on account of the overall global slowdown and also the weak investment climate and slowing of the Indian economy. The high volatility in the exchange rate further adds to the uncertainties of business. However, your Company endeavors to remain competitive & improve operations in the coming years and the management is confident of the future growth of the Company.

3. DIVIDEND:

With a view to conserve the resources in long run, your Directors have not recommended any Dividend for the year ended 31st March, 2013.

4. TRANSFER TO RESERVE:

The Company has transferred ₹ 36.34 lacs to the General Reserve out of the amount available for appropriation and an amount of ₹ 2387.55 lacs is retained in the Profit and Loss Account.

5. INFORMATION ON THE STATUS OF AFFAIRS OF THE COMPANY:

Information on the operational and financial performance etc is given in the Management Discussion and Analysis Report.

6. CREDIT RATING:

ICRA has assigned BBB+ rating to the Company which indicates the level of Stable outlook under Bank Loan Rating.

7. PUBLIC DEPOSIT:

Your Company has not accepted any deposit from the public and hence has not contravened provisions of the Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and the Reserve Bank of India, if any.

8. SUBSIDIARY:

Your Company has no subsidiary.

9. CORPORATE SOCIAL RESPONSIBILITY:

Mahamaya Steel Industries Limited has over the past many years made a conscious effort to incorporate sustainability principles in its approach to Business.

Corporate Sustainability is about sustainability of Profits, Planet and People. It is about value creation that provides lasting and enduring benefits leading to the enhancement of human, social, natural, economic and financial capital.

Our initiatives have always supported Social cause like for running of Schools, Social community center, Environment protection. During the year under review your Company has done plantation in different areas. The Company strives to contribute to the environment to its fullest to avoid irreversible changes in the ecosystem. Company controls the pollution by Recycling and Reusing the scrap. This is expected to enhance the beauty of earth and to reduce the pollution.

Mahamaya Group is committed to address the social cause through its associate Mahamaya Charitable Foundation whose main object is to promote and to aid and assist medical, educational, housing facility and to give food and clothing for the poor, needy, handicapped and senior citizens and to afford relief to people in distress and affected by earthquake, flood, famine, pestilence and other accidents and conduct or grant help for the support of the inmates of orphanages. During the year the foundation has started scholarship program for students of financially weaker sections of the society.

All these initiatives create a socially and ethically responsible business entity and helps in long term sustainability thus ensuring value growth for all our various stakeholders.

10. MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion and Analysis Report, as required under the Listing Agreement with Stock Exchanges, is enclosed as Annexure A.

11. STOCK EXCHANGE:

The annual listing fees for the year 2013-14 has been paid.

12. DISCLOSURE OF PARTICULARS:

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information is given hereunder:

- **Conservation Of Energy:**

The Manufacturing unit of the Company has been established with the latest available technology and continues to be well maintained. The Company is continuously giving emphasis on economic

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ICRA has assigned BBB+ rating to the Company which indicates the level of Stable outlook under Bank Loan Rating.

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- **Conservation Of Energy:**

The Manufacturing unit of the Company has been established with the latest available technology and continues to be well maintained. The Company is continuously giving emphasis on economic

improvements keeping in mind our goal i.e maximization of values of all the stakeholders. The Corporate Governance Practices followed by the Company are given in the Annual Report. A Certificate from Brajesh R. Agrawal, Practicing Company Secretary regarding compliances of conditions of Corporate Governance stipulated by Stock Exchange is enclosed with the "Report On Corporate Governance."

17. INVESTOR SERVICES:

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, endeavored their best to service the Investors satisfactorily.

18. STATUTORY COMPLIANCE:

The Company has complied with the various provisions of the Companies Act, 1956, the SEBI Regulations and provisions of the Listing Agreement.

19. INDUSTRIAL RELATIONS:

The industrial relations continue to be peaceful and cordial. The performance of the Company during the year is the result of concerted effort of the manpower. The Company has treated its employees as the pillars of its success. There is a constant Endeavour to translate the hard work of the employees to performance. Consistent efforts and initiatives have been taken to train and upgrade the employees to make them multi-skilled, to establish cross-functional team based working and employee empowerment.

20. ENVIRONMENT AND SOCIAL OBLIGATION:

The Company's plant complies with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspections including certification for the maintenance of the environment. The Company values environmental protection and safety as the major considerations in its functioning. The Company has adequate arrangements to prevent pollution. The Company is continuously endeavoring to improve the health and quality of life in the communities surrounding its industrial complex.

21. PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

22. AUDITORS:

M/s. Batra Deepak & Associates, Chartered Accountants, Raipur were appointed as Statutory Auditor of your Company from the conclusion of the previous Annual General Meeting until the conclusion of the ensuing Annual General Meeting. Being eligible they offer themselves for re-appointment as auditors of your Company.

The Board proposes the re-appointment of M/s. Batra Deepak & Associates, Chartered Accountants, Raipur as Statutory Auditor of your Company based on the recommendation of the Audit Committee, to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next

Annual General Meeting.

Resolutions seeking your approval on these items are included in the Notice convening the Annual General meeting.

23. COST AUDIT:

The Company has re-appointed M/s S.C. Mohanty & Associates, Cost Accountants, Raipur as Cost Auditors to carry out the cost audit for the financial year 2013-14.

The Cost Audit Report in XBRL format for the financial year 2011-12, which was due to be filed with the Ministry of Corporate Affairs by 28th February, 2013, was filed on 31st August, 2013.

Appreciation:

Your Directors thank the Banks, Shareholders, Customers and Suppliers for their co-operation and support to the Company. The Directors express their sincere appreciation for the dedication and commitment of all its employees.

For and on behalf of the Board of Directors'

Place : Raipur

Date : 30th May, 2013

Ramanand Agrawal
CHAIRMAN

ANNEXURE: FORM 'A'

Form For Disclosure Of Particulars With Respect To Conservation Of Energy:

Particulars	2012-2013	2011-2012
A. POWER & FUEL CONSUMPTION		
ELECTRICITY PURCHASED		
Unit (KWH) ROLLING MILL	5,412,619	8,984,809
SMS PLANT	68,208,421	87,895,915
TOTAL UNITS	73,621,040	96,880,724
TOTAL AMOUNT	3,64,658,800	380,185,579
RATE PER UNIT	4.95	3.92
FURNACE OIL		
Quantity (Kilo Litres)	1,820.200	6,014.380
Total Cost	73,154,733.25	219,443,346
Average Rate (Per Litre)	40.19	36.49
STEAM COAL		
Quantity (MT)	1,138.23	0
Total Cost	5,825,047.37	0
Average Rate (MT)	5,117.640	0
B. CONSUMPTION PER UNIT OF PRODUCTION		
Rolling Mill Division		
Production (MT)-For Fur. Oil*	51,204.647	1,28,085.350
Production (MT)-For Steam Coal	10,342.915	0
Production (MT)-Direct	12,840.02	0
Electricity (Unit)	72.76	70.14
Furnace Oil (Ltrs)	35.55	46.96
Steam Coal (MT)	0.110	0
SMS Division		
Production (MT)	76,424	96,434.582
Electricity (Unit)	892.50	911.45

Note: Production does not include conversion production by outside parties of 17539.94 MT (Previous Year 29187.555 MT)

***Note: Production quantity taken for the month of February & March 2013 on those days in which Steam Coal used for production.**

For and on behalf of the Board of Directors'

Place : Raipur
Date : 30th May, 2013

Ramanand Agrawal
CHAIRMAN

ANNEXURE 'A'

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Economics Overview:

The Economic Survey 2012-13 reveals "After recovering to a growth of 9.2 percent in 2009-10 and 2010-11, growth of value added in industrial sector, comprising manufacturing, mining, electricity and construction sectors, slowed to 3.5 percent in 2011-12 and to 3.1 percent in the current year. The manufacturing sector, the most dominant sector within industry, also witnessed a decline in growth to 2.7 percent in 2011-12 and 1.9 percent in 2012-13 compared to 11.3 percent and 9.7 percent in 2009-10 and 2010-11, respectively." With improved business sentiments and investor perception and a partial rebound in industrial activity in other developing countries, industrial growth is expected to improve in the next financial year.

Projects in India:

The Economic Survey 2012-13 reveals "There has been a surge in projects where implementation has stalled. Both in value and volume terms, stalled projects have been rising since early 2009. As of December 2012, six sectors accounted for about 80 percent of all stalled projects – electricity, roads, telecommunication services, steel, real estate, and mining."

New investment projects have been drying up across sectors, partly as a consequence of rising stalled projects which reduce the ability of firms to start new ones. New projects of both private sector and government have been falling. Government projects peaked in March, 2010 and Private-sector projects peaked two quarters later. Ever since, private sector investment levels have been lagging government investments by about six months.

Industry Structure:

The Indian Steel Industry is broadly classified in to two groups: Primary steel producers & Secondary steel producers. Primary steel producers has backward integration & normally has a higher capacity over 1.0 MTPA. The manufacturing process starts with steel making from Iron ore. The investment needed is also much higher as compared to secondary producers.

Secondary producers essentially have mini steel plants with capacities below 1.0 MTPA. This category mainly employs Electric Arc Furnace (EAF) or Induction Furnace (IF) route, which use scrap and sponge iron or a mix of both as raw materials to produce steel. This group also consist of processors and re-rollers of steel products. Secondary producers primarily manufacture long products and the route adopted by them is highly energy intensive for which they have to depend upon the purchased power.

Although, there are over 3500 varieties of regular and special steel available, steel products can be broadly classified in to two basic types according to their shape viz. flats and longs. All finished steel products are made from semi finished steel that comes in the form of slabs, billets and blooms.

Global Steel Industry:

Based on World Steel Association data, the world's crude steel production has reached a level of 1,548 MTPA in the year 2012. The crude steel production in India has reached approximately 100 MTPA. The steel production has increased by 1.2% in the year 2012 as compared to 2011. This was the 3rd consecutive year where the growth was positive after negative growth in 2009. China has maintained its leadership position with the production of 716.5 MTPA followed by Japan with 107.2 MTPA. India's steel production has registered a growth of 4.3% in the year 2012 as compared to previous year while china has shown growth of 3.1%. Asian countries have a lion's share of 66% of total world's steel production. This is also visible from the economic growth of these countries as compared to western countries.

India's steel industry is likely to grow at similar rate in the next few years. The steel production is increasing

in line with the projection made in Annual Budget and the infrastructure investments planned by the government. Sectors like Roads, Highways, Airports, Power Generation, Power Distribution etc are expected to have a robust growth. The targeted steel production in India by 2019-20 is over 276 MTPA. The steel production in India is likely to grow at a CAGR of 8.8% during 2010-13 as indicated by the government and external research.

Global Steel Demand And Prices:

The market for steel is substantially driven by changes in supply and demand in the global steel market, which are significantly affected by the state of the global economy and competition and consolidation within the steel industry. Your sales revenue will be affected by price fluctuation of steel in international markets. The global prices of steel, in turn, depends upon a combination of factors, including the availability and cost of raw material inputs, worldwide production and capacity, fluctuations in the volume of steel imports, transportation costs and protective trade measures. Historically, domestic steel prices have closely followed international steel price trends.

Indian Steel Industry:

India has moved to 4th position among the top steel producing nations in the world as per recent figure release by World Steel Association. Considering the substantial increase in outlay for construction sector, the demand for steel is going to be strong. Per capita consumption of steel in India is low at 59 Kg as compared to 460 Kg for China & world average of 215 Kg. As India is on a growth path, steel which is the basic ingredient will be needed for achieving the desired growth in GDP. Further if proposed expansion plans are implemented as per schedule, India may become the second largest crude steel producer in the world by 2015-16.

Some Highlights:

- 222 Memorandum of Understanding (MOU) have been signed with various states for planned capacity of around 276 million tones by 2019-20.
- Investments stake are to the tune of \$187 billion in the Steel sector.
- Demand of steel in the major industries like infrastructure, construction, housing, automotive, steel tubes and pipes, consumer durables, packaging and ground transportation.
- Target for \$ 1 trillion of investments in infrastructure during the 12th Five Year Plan.
- Infrastructure Projects (like Golden Quadrilateral and Dedicated Freight Corridor) will give boost to the demand in the steel sector in near future.
- Projected New Greenfield & up-gradation of existing Airport shall keep the momentum up.
- Increased demand of specialized steel in hi-tech engineering industries such as power generation, automotive petrochemicals, fertilizers etc.

Opportunities and Threats:

India is fast developing economy endowed with rich mineral resources and has a vast market potential with ever increasing middle income class. The ongoing slowdown has resulted in consolidation of industry and due to economies of small scale units have either shut down or are merging with large units. The industry is devising innovative measures for reducing overall costs for staying competitive. This slowdown has also necessitated a rethinking on phasing out expansion plans or delaying increase in capacity additions. To achieve the status of a developed nation by 2020, India needs to put robust infrastructure in place. The urbanization will increase and all these will need a huge quantity of steel. In the emerging scenario of higher demand and stiff competition, the need of cost effectiveness and higher customer orientation can only

guarantee success.

Your Company has undertaken comprehensive exercise on reducing costs and is keeping a watch on pressures on demand and price of steel products.

Learning the lesson from global meltdown & successfully emerging from that situation, India has emerged as a country with robust economy whose success story is intact. In the impressive growth rates in the recent difficult situation, India has shown the way to many other nations. Currently the Indian economy has slowed down and the growth is expected to be 8 percent in the coming years as the nation is still feeling the effect of global economic downturn which had reduced from 3.9% to 3.2% since 2011.

Internal Control Systems and Their Adequacy:

Your Company has well established internal control systems commensurate with its size and nature of business which provides for efficient use and safeguarding of resources, accurate recording of transactions and custody of assets, compliance with prevalent statutes, adherence to applicable accounting standards and policies and IT systems which include controls for facilitating the above.

The internal control is supplemented by an extensive review by internal auditors. Their observations are subject to periodic review and compliance monitoring. The Audit Committee of Directors reviews the significant observations made by internal auditors along with status of action thereon.

Company's Operations:

During the year under review the Company has installed Gasifier so that the re-heating furnace can function with the help of gas rather than with costly furnace oil, thus the cost of production is brought down and started direct feeding of raw material from CCM to rolling mill, this will help to cut the cost required for the re-heating of raw material. Your Company is first in the country to start this system, which is indigenously developed by your Managing Director.

During the year your Company has started manufacturing new products i.e. Flats, Rounds and un-equal Angles. This will help to venture out to the new possibilities in the market and to create better opportunities. Jindal Steel & Power Ltd has entered into a conversion agreement with your Company. The Company has started business with OPAL-ONGC, Fedder International and Zonal Railways.

Furthermore, the Company is looking to the possibility of Mill to Mill supply Tie-Up With Mitsui & Company Ltd, Japan.

Human Resources:

Your Company recognizes the importance of human resources in realizing its growth ambitions and believes in nurturing talent within the organization to take up leadership positions. Your Company believes in investing in people development and process improvements, aligned with Company's vision and values. Number of employees as on 31st March, 2013 was 554.

Cautionary Statement:

This report contains projections, estimates and expectations etc. which are just "forward looking statements". Actual results could differ from those expressed or implied in this report. Important factors that may have impact on Company's operation include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, changes in the Government regulations / policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

ANNEXURE 'B'**CORPORATE GOVERNANCE****I. COMPANY'S PHILOSOPHY:**

The Company follows the good Corporate Governance practices in all sphere of its activities and operations. The sound corporate governance is an integral part of the philosophy of the Company with an objective of value creation for its stakeholders. The management governs the affairs of the Company in a fair, honest, ethical, transparent, and legal manner to ensure optimum utilization of available resources for maximizing benefits for all its stakeholders. The Company makes prompt, complete, and accurate disclosures under the applicable laws about its financials, shareholding, and other material information for knowledge of its stakeholders. The corporate structure, business, and disclosure practices at the Company are in complete adherence to its Corporate Governance Philosophy.

Our Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of law and not just the letter of the law. Corporate Governance stands should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Comply with all the laws of the Country.
- Have a simple and transparent Corporate Structure driven solely by business needs.
- The Management is the trustee of the Shareholder's Capital and not the owner.

The Company believes in setting high standards of ethical values, transparency, integrity and a disciplined approach to achieve excellence in all its sphere of activities for value creation for its stakeholders.

II. BOARD OF DIRECTORS:

The Board of Directors of your Company as on 31st March, 2013 comprises of 6 directors and the composition of the Board is in accordance with the requirements of Clause 49 of the Listing Agreement. All directors have extensive experience, knowledge and expertise in their respective functional areas.

The Company has a Executive Chairman and the number of Non-Executive Independent Directors comprises of fifty percent of the total number of Directors. The Managing Director along with the Key Management Personnel of the Company, manage the day-to-day affairs of the Company. The Managing Director functions under the overall supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of the Management to ensure that the long term objectives of enhancing stakeholders' values are met.

Composition of the Board:

The Board of Directors of your Company comprises of six Directors. The names and categories of Directors, the number of directorships and Committee positions held by them in Companies are given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which they are directors.

As on 31st March, 2013

Directors	Category	Committee Memberships in Board of other Companies	Committee Chairmanships in Board of other Companies	Directorships in other Companies
Mr. Ramanand Agrawal	Executive Director	1	Nil	8
Mrs. Gulabdevi Agrawal	Executive Director	Nil	Nil	2
Mr. Rajesh Agrawal	Executive Director	1	1	8
Mr. Niraj Kansal	Non Executive Independent Director	Nil	Nil	Nil
Mr. Manish Kumar Agrawal	Non Executive Independent Director	Nil	Nil	Nil
Mr. Atul Garg	Non Executive Independent Director	Nil	Nil	Nil

Board Meetings and Attendance:

During the financial Year 2012-13, The Board met 12 times on 30th April 2012, 26th May 2012, 25th June 2012, 13th August 2012, 14th August 2012, 5th September 2012, 29th September 2012, 10th November 2012, 12th December 2012, 10th January 2013, 14th February 2013 and 30th March 2013. The gap between two Board Meetings did not exceed 4 months as stipulated in Companies Act, 1956, the maximum interval between two Board meetings was well within the prescribed limit of Clause 49. The Twenty Fourth Annual General Meeting (AGM) of the Company was held on 29th September, 2012. The Board has unfettered right to obtain and access to any information within the Company and to any of the Company's employees. As a practice of good Corporate Governance the Board discussed about the issues pertaining to the Company's business prospects and other significant issues occurred during the year.

Directors	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Mr. Ramanand Agrawal	12	12	Yes
Mrs. Gulab Bai Agrawal	12	12	Yes
Mr. Rajesh Agrawal	12	12	Yes
Mr. Vinod Puri Goswami*	9	9	Yes
Mr. Neeraj Kansal	12	11	Yes
Mr. Gitesh Agrawal*	9	9	Yes
Mr. Manish Kumar Agrawal	12	11	Yes
Mr. Atul Garg	12	9	Yes

*Resigned on 12.12.2012

III. AUDIT COMMITTEE:**Composition, meetings, attendance during the year:**

The Audit Committee comprises Mr. Neeraj Kansal (Chairman), Mr. Manish Kumar Agrawal and Mr. Atul Garg. All the members of the Committee are Independent -Non-Executive Directors. All the members of the Committee have vast experience and knowledge of corporate affairs and financial management and possess strong accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of this Committee are very wide. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. It is authorized to select and establish accounting policies, review Financial Statements, reports of the Statutory and the Internal Auditors, and meet with them to discuss their findings, suggestions and other related matters. All items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

During the year, the Audit Committee met Ten times to deliberate on various matters. The meetings were held on 26th May, 2012, 18th June, 2012, 3rd August, 2012, 4th August, 2012, 10th September, 2012, 30th October, 2012, 30th November, 2012, 12th December, 2012, 2nd February, 2013 and 20th March, 2013.

The composition and attendance are as follows:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Neeraj Kansal	10	10
Mr. Gitesh Agrawal*	7	7
Mr. Manish Kumar Agrawal	10	10
Mr. Atul Garg**	3	3

*Resigned on 12.12.2012

**Appointed on 12.12.2012

During the year, on 12th December, 2012 Mr. Gitesh Agrawal had resigned from the directorship of the Company and was terminated from the membership of the Audit Committee and in his place Mr. Atul Garg, Non Executive Independent director of the Company was appointed as a new member of the Committee with effect from 12th December, 2012.

IV. REMUNERATION COMMITTEE:**Composition, Meetings, attendance during the year:**

A Remuneration Committee has been constituted by the Board of Directors to review and / or determine the remuneration package of the Executive Directors of the Company. The Committee review the market practices while deciding the remuneration packages applicable to Managing Director and Executive Directors.

During the year, the Remuneration Committee met two times to deliberate on various matters. The meetings were held on 22nd September, 2012 and 20th December, 2012.

The composition and attendance are as follows:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Gitesh Agrawal*	1	1
Mr. Neeraj Kansal**	1	1
Mr. Atul Garg	2	2
Mr. Manish Kumar Agrawal	2	2

*Resigned on 12.12.2012

**Appointed on 12.12.2012

Mr. Neeraj Kansal is the Chairman of the Committee

Mr. Atul Garg and Mr. Manish Kumar Agrawal are the members of the Committee.

During the year, on 12th December, 2012 Mr. Gitesh Agrawal had resigned from the directorship of the Company and was terminated from the Chairmanship of the Remuneration Committee and in his place Mr. Neeraj Kansal, Non Executive Independent director of the Company was appointed as a new Chairman of the Committee with effect from 12th December, 2012.

Remuneration to Directors:

(a) Details of Remuneration for the Year 2012-13:

Director	Salary for the year	(₹ In Lacs)
		Perquisites (Computed under IT Act)
Mr. Ramanand Agrawal	24.00	Nil
Mr. Rajesh Agrawal	24.00	Nil
Mrs. Gulab Bai Agrawal	18.00	Nil
Mr. Vinod Puri Goswami*	3.24	Nil

*Resigned on 12.12.2012

(b) Non-Executive Director:

Non-Executive Director have not been paid any sitting fess for attending the Board Meeting. No Sitting Fees was paid for attending Committee Meetings to the Non-Executive Directors.

V. INVESTOR GRIEVANCE COMMITTEE:

Composition, Meetings, attendance during the year:

The Investors' Grievance Committee was constituted to specifically look in to the redressal of Investors' complaints relating to the transfer of shares, non receipt of Annual Reports and non receipt of dividends declared by the Company. etc.

During the year, the Investor Grievance Committee meet two times to deliberate on various matters. The meetings were held on 10th August 2012 and 5th January 2013.

The composition and attendance are as follows:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Neeraj Kansal	2	2
Mr. Rajesh Agrawal	2	2
Mr. Gitesh Agrawal*	1	1
Mr. Atul Garg**	1	1

*Resigned on 12.12.2012

**Appointed on 12.12.2012

Mr. Neeraj Kansal is the Chairman of the Committee.

Mr. Rajesh Agrawal and Mr. Atul Garg are the members of the Committee.

During the year, on 12th December, 2012 Mr. Gitesh Agrawal had resigned from the directorship of the Company and was terminated from the membership of Investor Grievance Committee and in his place Mr. Atul Garg, Non Executive Independent director of the Company was appointed as a new member of the Committee with effect from 12th December, 2012.

Details of Special Resolutions passed in the last three Annual General Meeting:

Year	Special Resolutions Passed
2009-10	<ol style="list-style-type: none"> 1) Special Resolution passed u/s 198,269,309,310 Schedule XIII and other applicable provisions of the Companies Act 1956 regarding the appointment of Shri. Rajesh Agrawal, Executive Director of the Company as Managing Director of the Company 1st October, 2010 to 1st October 2015. 2) Special Resolution passed for altered the 'Clause V' of the Memorandum of Association regarding increased the authorized share capital from 50 crores to 60 crores. 3) Special Resolution passed for altered the 'Article 4a' of the Article of Association regarding increased the authorized share capital from 50 crores to 60 crores. 4) Special Resolution passed under Securities Contracts (Regulation) Act, 1956, and the rules framed there under, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, for delist the Equity shares of the Company Jaipur, Calcutta, Madhya Pradesh, Hyderabad Stock Exchange.
2010-11	No Special Resolution was passed.
2011-12	Special Resolution passed for altered the Articles of Association of the Company regarding insertion of new definitions & new Articles for dematerialization of Securities of the Company.

X. DISCLOSURES:

There have been no materially significant related party transactions, pecuniary transaction or relationships between the Companies and its directors for the year ended 31st March, 2012 that may have a potential conflict with the interests of the Company at large.

All details relating to financial and commercial transactions where directors may have a pecuniary interest are provided to the Board and the interested directors neither participate in the discussion, nor do they vote on such matters.

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report and they are not in conflict with the interest of the Company.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.

The Company's code of conduct has clearly laid down procedures for reporting unethical behavior, actual or suspected fraud or violation of the ethics policies. No employee of the Company was denied access to the Audit Committee.

Adoption of non-mandatory requirements under clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

CEO Certification:

The Managing Director have certified to the Board in accordance with Clause 49 (V) of the listing Agreement pertaining to the CEO certification for the financial year ended 31st March, 2013 which is annexed hereto.

Compliance:

Certificate from the Practicing Company Secretary confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the Report and forms part of the Annual Report.

Details of Special Resolutions passed in the last three Annual General Meeting:

Year	Special Resolutions Passed
2009-10	<ol style="list-style-type: none"> 1) Special Resolution passed u/s 198,269,309,310 Schedule XIII and other applicable provisions of the Companies Act 1956 regarding the appointment of Shri. Rajesh Agrawal, Executive Director of the Company as Managing Director of the Company 1st October, 2010 to 1st October 2015. 2) Special Resolution passed for altered the 'Clause V' of the Memorandum of Association regarding increased the authorized share capital from 50 crores to 60 crores. 3) Special Resolution passed for altered the 'Article 4a' of the Article of Association regarding increased the authorized share capital from 50 crores to 60 crores. 4) Special Resolution passed under Securities Contracts (Regulation) Act, 1956, and the rules framed there under, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, for delist the Equity shares of the Company Jaipur, Calcutta, Madhya Pradesh, Hyderabad Stock Exchange.
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Compliance:

Certificate from the Practicing Company Secretary confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the Report and forms part of the Annual Report.

Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out the Share Capital Reconciliation Audit to reconcile the total issued and paid up capital with National Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of Shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

Code of Conduct:

A Code of Conduct, as adopted by the Board of Directors is applicable to all directors and Senior Management Personnel of the Company. This code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship, and exemplary personal conduct. A copy of the same is available on the Company's website www.mahamayagroup.in. All the members of the Board and Senior Management Personnel have affirmed compliances of the Code of Conduct.

Code of Conduct for Prevention of Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has a code of conduct for prevention of Insider trading in the shares of the Company. The Code inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to Company.

XI. GENERAL SHAREHOLDER'S INFORMATION:**Twenty Fifth Annual General Meeting:**

Date:	30 th September, 2013
Time:	01:30 pm
Venue:	At the registered office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)
Financial Year:	1 st April 2012 to 31 st March, 2013
Directors seeking appointment /Reappointment:	As required under Clause 49(IV)(G), particulars of Directors seeking appointment/reappointment are given in the Explanatory statement annexed to the Notice of the Annual General Meeting to be held on 30 th September, 2013.
Book Closure Date:	24 th September, 2013 to 30 th September, 2013 (both days inclusive)

Financial Calendar Period (tentative)

For the Half year ending 30 th September, 2013	Middle of Nov, 2013
For the Quarter ending 31 st December, 2013	Middle of Feb, 2014
For the Year ending 31 st March, 2014	End May, 2014

Registered Office:	At Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)
Listing of Equity Shares on Stock Exchanges:	Bombay Stock Exchange Ltd.
Note:	The Share of the Company are also listed on Calcutta, Hyderabad Stock Exchanges.
Stock Code (Bombay Stock Exchange Ltd.) :	513554

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 was as under:

Month	Open Price	High Price	Low Price	Close Price
Apr-12	-	-	-	-
May-12	23.40	24.20	23.40	24.20
Jun-12	23.00	23.60	21.35	21.35
Jul-12	22.40	28.35	20.20	27.50
Aug-12	28.25	31.40	23.50	25.95
Sep-12	25.95	30.60	21.40	30.60
Oct-12	31.80	37.25	30.20	31.35
Nov-12	30.20	35.00	23.05	27.65
Dec-12	28.90	34.10	22.65	34.10
Jan-13	34.50	42.50	30.30	40.70
Feb-13	40.80	43.75	31.10	35.20
Mar-13	38.35	39.70	19.00	19.30

ISIN No. : INE451L01014.

Annual Listing fee : The annual listing fees for the year 2013-14 has been paid.

Share Transfer System : System Support Services, the Registrars of the Company register the transfers, transmission of shares, issue of duplicate share certificates and allied matters, subject to the transfer instrument being valid and complete in all respects. In compliance with the Listing Agreement, a Company Secretary in Practice audits the system of share transfer every six months and a Certificate to that effect is issued.

Registrar and Share Transfer Agent : System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Sakinaka, Andheri (E)
Mumbai - 400 072
Tel. No. : 022 - 2850 0835
Fax No. : 022 - 2850 1438
E-mail : sysss72@yahoo.com

Distribution of Shareholding:

As on March 31, 2013												
Category	No. of Shares			% of Shares			No. of Holders			% of Holders		
	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total
1-500	48170	442580	490750	0.355	3.261	3.616	202	2057	2259	7.303	74.367	81.670
501-1000	48469	207550	256019	0.357	1.529	1.887	56	227	283	2.025	802.7	10.231
1001-2000	47781	120400	168181	0.352	0.887	1.239	30	73	103	1.085	2.639	3.724
2001-3000	49427	51000	100427	0.364	0.376	0.740	19	19	38	0.687	0.687	1.374
3001-4000	33100	15100	48200	0.244	0.111	0.355	10	4	14	0.362	0.145	0.506
4001-5000	39509	48900	88409	0.291	0.360	0.651	8	10	18	0.289	0.362	0.651
5001-10000	109199	60400	169599	0.805	0.445	1.250	16	7	23	0.578	0.253	0.832
10001-100000	269422	72400	341822	1.985	0.534	2.519	11	3	14	0.398	0.108	0.506
100001 & above	11906993	0	11906993	87.742	0.000	87.742	14	0	14	0.506	0.000	0.506
Total	12552070	1018330	13570400	92.496	7.504	100.000	366	2400	2766	13.232	86.768	100.00

Shareholding Pattern as on 31st March, 2013:

Category	31 st March, 2013	
	No. of shares held	% of Holding
Promoter in his individual capacity	41,21,380	30.37
Promoter in his Body Corporate Capacity	28,83,047	21.25
Promoter Director's Relatives	26,56,443	19.58
Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions / Non Government Institutions)	100	0.00
Private Corporate Bodies	26,10,036	19.23
Indian Public	12,99,394	9.58
Total	1,35,70,400	100.00

Dematerialization of Shares and Liquidity as on 31st March, 2013:

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 31st March, 2013:

Particulars	No. of Shares	Percentage	Liquidity (No. of Shareholders)	Percentage
NSDL	1,22,82,952	90.51%	202	7.30%
CDSL	2,69,118	1.98%	164	5.93%
PHYSICAL	10,18,330	7.51%	2400	86.77%
TOTAL	1,35,70,400	100%	2766	100%

Address for Correspondence:

Mahamaya Steel Industries Ltd.

B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.) INDIA

Phone : 0771 4006666, Fax : 0771 4006611, E-mail : cs@mahamayagroup.in

Shareholders can contact the following officials for secretarial matters related to the company:

Name	Phone No.	E-mail ID	Fax No.
Mrs. Jaswinder Kaur	0771-4228067	cs@mahamayagroup.in	0771-4005566 0771-4228066

XII. PARTICULARS OF UNCLAIMED DIVIDEND:

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 31.03.2013) (₹)
2006-07	28.09.2007	30.10.2014	31.10.2014	1,69,315
2007-08	11.08.2008	10.09.2015	11.09.2015	2,67,810
2008-09	29.09.2009	29.10.2016	30.10.2016	2,62,915
2009-10	28.09.2010	28.10.2017	29.10.2017	1,99,200

CODE OF CONDUCT

Declaration

To
The Members of Mahamaya Steel Industries Limited

In accordance with Clause 49 sub clause I (D) I, Ramanand Agrawal, Chairman of Mahamaya Steel Industries Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance to their respective Code of Conduct as applicable to them for the financial year ended 31st March, 2013.

Place : Raipur
Date : 30th May, 2013

Ramanand Agrawal
Chairman

CEO CERTIFICATION

The Board of Directors,
Mahamaya Steel Industries Limited

I certify that:

1. I had reviewed the Balance Sheet and Profit and Loss Account, and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered in to by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. I further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the current year.

Place : Raipur
Date : 30th May, 2013

Rajesh Agrawal
Managing Director

SECRETARIAL AUDITOR'S CERTIFICATE**(On Corporate Governance)**

To,
The Members of
Mahamaya Steel Industries Limited

We have examined the compliance of conditions of Corporate Governance of M/s. Mahamaya Steel Industries Limited, for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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 stipulated in the above mentioned Listing Agreement.

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

Place : Raipur
Date : 24th May, 2013

For, Brajesh R. Agrawal
sd/-
(Brajesh R. Agrawal)
Proprietor
Membership No. : FCS 5771
Certificate P.No. : 5649

INDEPENDENT AUDITORS' REPORT

To The Members of MAHAMAYA STEEL INDUSTRIES LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **Mahamaya Steel Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation of these 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 Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, ***subject to para 2 (d) of report on other legal and Regulatory requirement and subject to emphasis of matter*** the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the ***Profit*** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the

matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report, read together with Significant Accounting Policies and Notes there on, are in compliance with the Accounting Standards referred to in section 211(3C) of the Act;
- (e) On the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

Emphasis of Matter:

- (a) We invite your attention to note 30(a) dealing with search operations by Excise Department. The company has accepted the findings of Excise Department about excess stock of 1285.196 MT found during the course of search amounting to ₹ 466.69 lacs, the same is duly recorded in the books of accounts of the company. Simultaneously company has also recorded for reduction in raw materials of SMS Division by 1590.000 MT.
- (b) Your attention is invited towards Note No. 30(b) dealing with electricity duty exemption. The total impact on the profitability during the year under review is ₹ 301.34 lacs in which ₹ 159.79 lacs pertains to Accounting year 2011-12 but has been accounted as income for the period under review.

For, BATRA DEEPAK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No.005408C)

Place : Raipur
Date : 30th May, 2013

[DEEPAK BATRA]
PARTNER
Membership No.74052

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

RE: MAHAMAYA STEEL INDUSTRIES LIMITED

REFERRED TO IN PARAGRAPH 2 OF REPORT ON OTHER LEGAL & LEGAL REQUIREMENTS PARA OF OUR REPORT OF EVEN DATE:

1. In respect of its fixed assets: -
 - a. The company has manually maintained records showing full including quantitative details and situation of fixed assets. It has been further informed to us that computerized fixed assets register of the company is under compilation.
 - b. As explained to us, fixed assets have been physically verified by the management on periodical intervals, which in our opinion is a fair practice, having regard to the size of the Company and nature of its assets.
 - c. The Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. Based on our scrutiny of records maintained by the company we are of the opinion that the company has maintained proper records in respect of its inventories. It has been informed to us that the company has carried out physical verification of inventory from time to time and discrepancies noted during physical verification have been accounted for in the books of accounts of the company. In this regard we draw attention to note No.30(a) of Notes on Account wherein the company has disclosed impact of stock variation during physical verification by Excise Department.
3. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has not granted loan during the year to any party covered under section 301. Therefore our reporting on terms and conditions and overdue amount is not called for.
 - b. The company has taken loan of ₹ 1021.00 lacs during the year from two companies. The outstanding balance as at March 31 2013 was ₹ 1020.00 Lacs.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - d. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also sale of goods in services. It has been informed by the management that during the year one of the employee working in Accounts Department committed fraud by using forged bills and Good Receipt Notes. The matter is under investigation. Although no impact of this fraud has been recorded in the books of accounts of the company. However, the management expects total amount involved to be of ₹ 1.15 crores. Other than this we have neither

come across nor have been informed by any continuing failure to correct major weakness of internal control system.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, transactions in pursuance of contracts or agreements, entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to ₹ 5,00,000/- (Rupees Five Lacs) or more in respect of any party in the said financial year are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act 1956 have not been seen by us. We have been informed that applicable cost audit of such records is still in progress.
9. A. According to the records of the Company and based on information and explanations made available to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund (if any), Employees' State Insurance, Income-Tax, Sales-Tax, Commercial Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities (if any). According to the information and explanations given to us, no undisputed amounts of nature mentioned above payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- B. The disputed statutory dues aggregating to ₹ 23.37 Lacs, 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 Dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
01.	Sales Tax Statute of the State	Sales/ Commercial Tax	4.98	1990-1991	Before the High Court of Chhattisgarh, Bilaspur
02.	Central Excise Act, 1944	Excise Duty	18.39	2011-2012	Commissioner (Appeal)
		TOTAL	23.37		

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any Financial Institution or Banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances

have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information & explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order 2003 (as amended) is not applicable to the Company.
14. According to the information and explanation given to us, the Company has maintained proper records of investments made by it but has not entered in to transactions and contracts in respect of dealing or trading in shares, securities, debentures. All investments have been held by the Company in its own name.
15. As informed to us, the Company has not given any guarantees for loan taken by a body corporate from banks or any other financial institutions.
16. As informed to us, the Company has not raised new term loans from banks during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized money from short-term sources towards repayment of long-term borrowings acquisition of fixed assets and for long term investments.
18. During the year, the Company has not made preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.
20. During the year covered by our audit report, the company has not raised money by way of public issue.
21. We have been informed by the management and this is also disclosed in note No.30(c) that the company has noticed that one of its employees has committed fraud. The matter is under investigation. The details can be seen in the said note. To the best of our knowledge and belief and according to the information and explanation given to us no other material fraud noticed or reported during the year, that causes the financial statements to be materially misstated.

For, BATRA DEEPAK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No.005408C)

Place : Raipur
Date : 30th May, 2013

[DEEPAK BATRA]
PARTNER
Membership No.74052

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars		Note No.	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
I	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2	4,557.32	4,557.32
	(b) Reserves and Surplus	3	7,470.39	7,288.69
(2)	Non-Current Liabilities			
	(a) Long-term borrowings	4	638.55	1,152.51
	(b) Deferred tax liabilities (Net)	5	683.47	653.04
	(c) Long term provisions	6	51.74	50.86
(3)	Current Liabilities			
	(a) Short-term borrowings	7	5,954.50	4,042.72
	(b) Trade payables	8	965.35	832.52
	(c) Other current liabilities	9	845.20	2,346.96
	(d) Short-term provisions	10	667.24	697.47
	Total		21,833.77	21,622.09
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	8,435.36	8,727.45
	(ii) Capital work-in-progress		93.97	-
	(b) Non-current investments	12	522.01	240.01
	(c) Long term loans and advances	13	1,939.06	1,044.03
(2)	Current assets			
	(a) Inventories	14	6,827.60	6,354.14
	(b) Trade receivables	15	2,490.60	3,025.42
	(c) Cash and Cash Equivalents	16	373.89	395.25
	(d) Short-term loans and advances	17	1,036.65	1,683.19
	(e) Other current assets	18	114.63	152.60
	Total		21,833.77	21,622.09

See Accompanying Notes (1 to 30) to the Financials Statements.

In terms of our report attached
For Batra Deepak & Associates
Chartered Accountants
Firm Reg. No. 005408C

Deepak Batra
Partner
Membersip No. 074052

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Place : Raipur
Date : 30th May, 2013

Place : Raipur
Date : 30th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars		Note No.	For the Year ended on 31st March, 2013 (₹ In Lacs)	For the year ended on 31st March, 2012 (₹ In Lacs)
I.	Revenue from operations	19	33,336.29	53,980.86
II.	Other Income	20	64.61	77.69
III.	Total Revenue (I +II)		33,400.90	54,058.55
IV.	Expenses:			
	Cost of materials consumed	21	27,282.17	44,336.63
	Changes in inventories of finished goods	22	(1,020.86)	(960.04)
	Employee benefit expense	23	94.83	101.79
	Finance costs	24	618.78	795.78
	Depreciation	11	527.22	542.46
	Other expenses	25	5,747.48	8,156.60
	Total Expenses		33,249.62	52,973.22
V.	Profit before exceptional and extraordinary items and tax		151.28	1,085.33
VI.	Exceptional Items	26	137.99	33.94
VII.	Profit before tax		289.27	1,119.27
VIII.	Tax expense:			
	(1) Current tax		69.41	272.30
	(2) Tax related to earlier year		7.73	(0.02)
	(3) Deferred tax		30.43	86.66
IX.	Profit(Loss) for the period from continuing operations		181.70	760.33
X.	Profit/(Loss) for the period		181.70	760.33
XI.	Earning per equity share:			
	(1) Basic		1.34	5.60
	(2) Diluted		1.34	5.60

See Accompanying Note (1 to 30) to the Financials Statements.

In terms of our report attached
For Batra Deepak & Associates
Chartered Accountants
Firm Reg. No. 005408C

Deepak Batra
Partner
Membersip No. 074052

Place : Raipur
Date : 30th May, 2013

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Place : Raipur
Date : 30th May, 2013

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR 2012-13

Particulars	2012-13 (₹ in Lacs)	2011-12 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
i. Net Profit before Tax	289.29	1,119.26
Adjustment for :		
Depreciation	527.22	542.46
Interest charged to Profit and Loss Account	618.78	795.79
Provision for Income Tax	(77.14)	(358.94)
(Profit)/ Loss on sale of Fixed Assets	12.85	(0.35)
ii. Operating Profit before Working Capital changes	1,371.00	2,098.22
Adjustment for :		
(Increase) / Decrease in Trade Receivables	534.82	739.65
(Increase) / Decrease in Inventories	(473.46)	(608.41)
(Increase) / Decrease in other Receivable	(210.52)	(697.96)
Increase / (Decrease) in Trade Payables and Other liabilities	46.72	47.24
CASH FLOW FROM OPERATING ACTIVITIES	1,268.56	1,578.74
TOTAL CASH AVAILABLE FROM OPERATING ACTIVITIES (A)	1,268.56	1,578.74
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets and capital WIP and pre operative exp.	(359.39)	(306.76)
Sale of Fixed Assets	17.43	6.27
Investment in Shares / Share Application Money	(282.00)	(282.00)
NET CASH USED IN INVESTING ACTIVITIES (B)	(623.96)	(582.49)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Long Term bank Borrowings	(513.96)	(113.97)
Increase/ (decrease) in Short- Term bank borrowings	495.28	497.91
Interest and Bank charges Paid	(618.78)	(795.79)
Unsecured Loan Received / (Repaid)	1,416.50	(355.00)
Redemption of Preference Shares	-	(97.23)
Share application money refunded	(1,445.00)	(200.00)
NET CASH USED IN FINANCING ACTIVITIES (C)	(665.96)	(1,064.08)
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	(21.36)	(67.82)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	395.25	463.07
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	373.89	395.25

- 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.

In terms of our report attached
For Batra Deepak & Associates
Chartered Accountants
Firm Reg. No. 005408C

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Deepak Batra
Partner
Membersip No. 074052

Jaswinder Kaur Mission
Company Secretary

Place : Raipur
Date : 30th May, 2013

Place : Raipur
Date : 30th May, 2013

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statements

The Financial Statement have been prepared under the historical cost convention, on the basis of a going concern, with revenues recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amount determined as payable or receivable during the year. The financial statements have been prepared in accordance with the generally accepted accounting principles and provisions of the statute have been followed.

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.

4) Capital Work in progress

It is stated at cost.

5) Depreciation and Amortisation

i) Depreciation on fixed assets is provided on straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions/deletions to fixed assets is being provided on pro-rata basis from/to the month of acquisition/disposal. Fixed assets of like nature have been clubbed under broad descriptions given in the Balance Sheet.

ii) Amortization is not being made on leasehold land being insignificant amount. At net realisable value.

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.

NOTE 2 SHARE CAPITAL

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Authorised:		
1,50,00,000 (P.Y.1, 50,00,000) Equity Shares of ₹ 10/- each	1,500.00	1,500.00
30,00,000 (P.Y. 30,00,000) Preference Shares of ₹ 10/- each	300.00	300.00
4,20,00,000 (P.Y. 4,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of ₹ 10/- each	4,200.00	4,200.00
	6,000.00	6,000.00
Issued:		
1,35,76,000 (P.Y.1, 35,76,000) Equity Shares of ₹ 10/- 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 ₹ 10/- each	3,200.00	3,200.00
	4,557.60	4,557.60
Subscribed:		
1,35,70,400 (P.Y.1, 35,70,400) Equity Shares of ₹ 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 ₹ 10/- (Ten) each	3,200.00	3,200.00
	4,557.04	4,557.04
Add: 5600 Forfeited Equity Shares of ₹ 10/- each partly paid ₹ 5/- each	0.28	0.28
Total	4,557.32	4,557.32

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:		
(a) Equity Shares:		
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) Optionally Convertible Redeemable Preference Shares:		
No of shares outstanding at the beginning of the year	-	972,300
No of shares redeemed during the year	-	972,300
No of shares outstanding at the end of the year	-	-
(c) 8% Redeemable Non Cumulative Non Convertible Preference Shares:		
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

Particulars	Number of shares as at 31 st March, 2013	Number of shares as at 31 st March, 2012
Equity Shares:		
Abhishek Steel Industries Ltd	1,349,000	1,349,000
Gulab Bai Agrawal	1,082,082	1,082,082
Rajesh Agrawal	899,510	899,510
Ramanand Agrawal	2,139,788	2,139,788
Ramanand Agrawal (HUF)	797,300	797,300
Rekha Agrawal	777,400	777,400
Mahalaxmi Technocast Limited	1,759,423	1,857,000
Preference Shares:		
Escort Finvest Private Limited	231,750,000	231,750,000
Antriksh Commerce Private Limited	8,825,000	8,825,000

NOTE 3 : RESERVES AND SURPLUS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Capital Redemption Reserve:		
As per last Balance Sheet	1,584.05	1,158.1300
Additions during the year	509.00	523.15
Less: Transfer to General Reserve	-	(97.23)
	2,093.05	1,584.05
Securities Premium Account:		
As per last Balance Sheet	1,000.00	1,000.00
	1,000.00	1,000.00
Capital Investment Subsidy:		
As per last Balance Sheet	5.00	5.00
	5.00	5.00
General Reserve:		
As per last Balance Sheet	1,948.45	1,699.16
Add: Transfer from Capital Redemption Reserve	-	97.23
Add: Transfer from Profit & Loss Account (Surplus)	36.34	152.06
	1,984.79	1,948.45
Surplus:		
As per last Balance Sheet	2,751.19	2,666.08
Add: Profit/(Loss) for the period	181.70	760.32
Less: Appropriations		
Transfer to General Reserve	36.34	152.06
Transfer to Capital Redemption Reserve	509.00	523.15
	2,387.55	2,751.19
Total	7,470.39	7,288.69

NOTE 4 : LONG TERM BORROWINGS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Secured:		
Term Loans from banks , Secured (Secured by way of First pari passu charge on assets of the Company and personal guarantee of some of the directors)	638.55	1,152.51
Total	638.55	1,152.51

NOTE 4a : DETAILS OF REPAYMENT OF TERM LOAN

Lender	Nature of facility	Terms of repayment
Uco Bank, Mid Corporate Branch, Raipur (Term Loan-1)	Term Loan	Monthly Instalments of ₹ 28.34 Lacs
Uco Bank, Mid Corporate Branch, Raipur (Term Loan-2)	Term Loan	Quarterly Instalments of ₹ 27.50 Lacs
Andhra Bank, Raipur (Term Loan-1)	Term Loan	Monthly Instalments of ₹ 23.18 Lacs
Andhra Bank, Raipur (Term Loan-2)	Term Loan	Quarterly Instalments of ₹ 22.50 Lacs
Axis Bank Car Loan	Vehicle Loan	36 Monthly Installment of ₹ 0.76 Lacs

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Opening Deferred Tax Liability (Net)	653.04	566.38
Add: Deferred Tax liability	33.46	89.40
Less: Deferred Tax Assets		
Disallowances under the Income Tax Act	9.83	13.74
	676.67	642.04
Add: Reversal of Deferred Tax Assets	6.80	11.00
Total	683.47	653.04

NOTE 6 : LONG- TERM PROVISIONS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Provision for Gratuity	51.74	50.86
Total	51.74	50.86

NOTE 7 : SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Secured		
Working Capital facilities from Banks		
Cash Credit facilities	3,146.16	2,980.35
Letter of Credit facilities	1,391.84	1,062.37
(Secured by way of First pari passu charge on assets of the Company and personal guarantee of some of the directors.)		
Unsecured		
From related parties	1,020.00	-
From other	396.50	-
Total	5,954.50	4,042.72

NOTE 8 : TRADE PAYABLES

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Raw Materials		
- Related Parties	441.71	538.97
- Others	296.28	136.11
Stores and Expenses	227.36	157.44
Total	965.35	832.52

NOTE 9 : OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Current maturities of long-term debt	242.76	417.19
Security Deposits	5.42	5.20
Advances from Customers		
- Related Parties	23.91	-
- Others	512.70	450.80
- Transportation Charges	7.91	8.11
Creditor for Capital Items	43.51	11.65
Unclaimed Dividends	8.99	9.01
Share Application Money	-	1,445.00
Total	845.20	2,346.96

NOTE 10 : SHORT-TERM PROVISIONS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Provision for Employees' Salary & Related Expenses	80.07	101.42
Provision for Statutory dues	315.64	280.92
Provision for Power charges	255.98	308.41
Other Provisions	15.55	6.72
Total	667.24	697.47

NOTE 11 : FIXED ASSETS

PARTICULARS	COST				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2012	Addition During the Period	Deductions During the Period	AS AT 31.03.2013	Upto 31.03.2012	For the year	On deductions (-)	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
1. LEASEHOLD LAND & SITE DEVELOPMENT	37.18	-	-	37.18	-	-	-	-	37.18	37.18
2. FREE HOLD LAND	782.41	-	-	782.41	-	-	-	-	782.41	782.41
3. BUILDING	1,397.39	14.03	-	1,411.42	207.90	45.70	-	253.60	1,157.82	1,189.49
4. PLANT & MACHINERY	10,260.46	202.65	33.22	10,429.89	3,815.04	437.81	7.50	4,245.35	6,184.54	6,445.41
5. FURNITURE & FIXTURES	89.73	18.58	-	108.31	42.59	8.65	-	51.24	57.07	47.14
6. VEHICLES	348.96	30.15	7.21	371.90	123.14	35.06	2.64	155.56	216.34	225.82
TOTAL	12,916.13	265.41	40.43	13,141.11	4,188.67	527.22	10.14	4,705.75	8,435.36	8,727.45
7. CAPITAL WORK IN PROGRESS	-	93.97	-	93.97	-	-	-	-	93.97	-
TOTAL	-	93.97	-	93.97	-	-	-	-	93.97	-
GRAND TOTAL	12,916.13	359.38	40.43	13,235.08	4,188.67	527.22	10.14	4,705.75	8,529.33	8,727.45
PREVIOUS YEAR	12,616.26	665.37	365.50	12,916.13	3,647.20	542.46	98,379.00	4,188.68	8,727.45	8,969.06

NOTE 12 : NON CURRENT INVESTMENTS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Unquoted Equity Shares (at cost)		
In Enterprises controlled by Key Managerial Person:		
1200300 Equity Shares of ₹ 10 each in Shree Shyam Sponge and Power Limited	30.01	30.01
In Associate Concerns:		
2564000 Equity Shares of ₹ 10/- each in Devi Iron and Power Private Limited	482.00	200.00
100000 Equity Shares of ₹ 10/- each in Mahamaya Charitable Foundation	10.00	10.00
Total	522.01	240.01

NOTE 13 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
(Unsecured, considered good unless otherwise stated)		
Capital Advances:		
Security deposits	31.51	112.67
Electricity duty receivable	606.21	649.36
Transaction With Associate Concern:	301.34	-
- Investment - Share Application (Pending allotment)	1,000.00	282.00
Total	1,939.06	1,044.03

NOTE 14 : INVENTORIES

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
(As taken, valued and certified by the management)		
Raw materials	1,337.10	2,180.31
Finished Goods	3,964.96	2,944.10
Stores and spares	1,525.54	1,229.73
Total	6,827.60	6,354.14

NOTE 15 : TRADE RECEIVABLES

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
(Unsecured, considered good unless otherwise stated)		
1) Debts due for a period exceeding six months	749.90	682.13
2) Other Debts	1,740.70	2,343.29
Total	2,490.60	3,025.42

NOTE 16 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Balances with banks in -		
Fixed Deposits (Refer Note 1 below)	337.02	309.85
Current Accounts	24.58	71.09
Unclaimed Dividend Accounts (Refer Note 2 below)	8.99	9.01
Cash on hand	3.29	5.30
Total	373.89	395.25

Note : (1) Fixed deposits having maturity of more than year Rs. 23,78,729 (Previous Year Rs. 21,90,427)

(2) Unclaimed dividend pertain to FY 2006-07, 2007-08, 2008-09 and 2009-10

NOTE 17 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
(Unsecured, considered good unless otherwise stated)		
Advances for Raw Materials		
Related Parties	593.85	0.06
Others	72.97	1,067.43
Advances for Stores, Consumables and Expenses	30.48	118.81
Taxes paid in advance less provisions	35.16	19.12
Balances with Commercial Tax Authorities	141.95	283.35
Balances with Central Excise Authorities	138.59	173.07
Staff , Tour & Imprest advances	23.64	21.35
Total	1,036.65	1,683.19

NOTE 18 : OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Earnest Money deposits with customers	70.22	104.49
Prepaid Expenses	10.39	11.99
Incomes accrued but not due	34.02	36.12
Total	114.63	152.60

NOTE 19 : REVENUE FROM OPERATIONS

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Sale of products	38,307.42	60,813.55
Sale of services	2.58	-
Other operating revenues	0.89	0.71
Less:		
Excise duty	3,984.01	5,508.52
Sales Tax and VAT	990.59	1,324.88
Total	33,336.29	53,980.86

NOTE 19a : EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
FOB Value of exports	69.46	71.00
Total	69.46	71.00

NOTE 20 : OTHER INCOME

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Interest Income	64.77	76.34
Income on Foreign Exchange Fluctuation	(0.16)	1.35
Total	64.61	77.69

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

Particulars	For the year ended on 31 st March, 2013		For the year ended on 31 st March, 2012	
	Value (₹ In Lacs)	Percentage (%)	Value (₹ In Lacs)	Percentage (%)
Raw Materials Consumed				
Imported*	713.42	2.76	35.17	0.08
Indigenously obtained	25,177.79	97.24	42,007.80	99.92
Sub-Total	25,891.21		42,042.97	
Spare Parts and Components Used				
Imported*	20.63	1.48	45.19	1.97
Indigenously obtained	1,370.33	98.52	2,248.47	98.03
Sub-Total	1,390.96		2,293.66	
Total	27,282.17		44,336.63	

* Value includes full landed cost

NOTE 21a : CIF Value of Imports

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Raw materials*	698.98	33.19
Components and Spare Parts*	20.52	41.67
Total	719.50	74.86

* Value includes expenses incurred up to the port

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

(₹ In Lacs)

Particulars	Blooms & Billets (Rolling Mill Division)		Sponge Iron/ Pig Iron and Scrap (SMS Division)	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Raw Material Op. Stock	972.87	2,563.96	1,207.43	190.05
Purchases during the year	7,554.17	19,697.32	17,493.83	21,771.94
Consumption	7,959.49	21,288.41	17,931.72	20,754.56
Raw Material Cl. Stock	567.55	972.87	769.54	1,207.43

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

Particulars	For the year ended on 31 st March, 2012 (₹ In Lacs)	For the year ended on 31 st March, 2011 (₹ In Lacs)
Stock (At Commencement) Finished goods	2,944.10	1,984.06
Stock (At End) Finished goods	3,964.96	2,944.10
Total	(1,020.86)	(960.04)

NOTE 23 : EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Office Salaries	77.29	66.63
Contribution to provident and other funds (office)	2.60	2.64
Provision for Gratuity	6.00	16.70
Staff welfare expenses	8.94	15.82
Total	94.83	101.79

NOTE 24 : FINANCE COSTS

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Interest expense	553.62	729.76
Other financial costs	65.16	66.02
Total	618.78	795.78

NOTE 25 : OTHER EXPENSES

Particulars	For the year ended on 31 st March, 2012 (₹ In Lacs)	For the year ended on 31 st March, 2011 (₹ In Lacs)
A. Manufacturing Expenses		
Power and Fuel	4,294.84	5,998.75
Workers' Salaries, wages and other Benefits	561.57	622.70
Contribution to Provident Fund & ESIC (Plant)	36.74	39.18
Contractors' Payment	155.98	101.24
Conversion Charges	320.01	508.65
Repairs and maintenance -	-	
Machinery	6.24	8.77
Others	7.50	13.98
Variation in Excise duty on Closing stock	40.17	115.17
Sub-Total A	5,423.05	7,408.44
B. Administrative, Selling & Distribution Expenses		
Insurance	11.95	12.58
Rent	4.50	4.80
Rates & Taxes (excluding taxes on income)	11.85	11.51
Directors Remuneration	69.24	135.24
Legal & Professional Charges	12.75	10.13
Travelling & Conveyance	15.91	14.53
Telephone Expenses	8.93	8.05
Auditors Remuneration	7.63	9.30
Other Administrative Expenses	43.99	55.90
Selling & Distribution Expenses	137.68	486.12
Sub-Total B	324.43	748.16
Total (A+B)	5,747.48	8,156.60

NOTE 25a : PAYMENT TO AUDITORS

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Audit fees	3.00	3.00
Taxation matters	4.38	0.30
Other services	12.10	6.00
Total	19.48	9.30

NOTE 26 : EXCEPTIONAL ITEMS

Particulars	For the year ended on 31 st March, 2013 (₹ In Lacs)	For the year ended on 31 st March, 2012 (₹ In Lacs)
Profit/ (Loss) on sale of Fixed Assets	(12.86)	0.35
Income / (Expenses) pertaining to prior periods	139.29	3.04
Sundry balances written off	11.56	17.49
Other non-operating income	-	13.06
Total	137.99	33.94

NOTE 27 : EARNING PER SHARE

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Profit after Tax	181.70	760.32
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)	1.34	5.60

NOTE 28 : CONTINGENT LIABILITY

Particulars	As at 31 st March, 2013 (₹ In Lacs)	As at 31 st March, 2012 (₹ In Lacs)
Income Tax Demand	134.70	-
Sales Tax Demands under appeal	4.98	4.98
Excise Duty liabilities under appeal & adjudication	168.86	38.21
Estimated amount of contracts remaining to be executed on capital acc.	93.97	210.00
Outstanding Bank Guarantees	136.02	65.09

NOTE 29 :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	<ol style="list-style-type: none"> 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 4. Mahamaya Charitable Foundation
B. Key Managerial Persons	<ol style="list-style-type: none"> 1. Shri Ramanand Agrawal 2. Shri Rajesh Agrawal 3. Smt. Gulab Bai Agrawal 4. Shri V.P. Goswami
C. Relatives of Key Managerial Persons	<ol style="list-style-type: none"> 1. Rajesh Agrawal HUF 2. Shri Anand Agrawal 3. Smt. Rekha Agrawal 4. Smt. Asha Devi Agrawal
D. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year	<ol style="list-style-type: none"> 1. Abhishek Steel Industries Limited 2. Shree Shyam Sponge & Power Limited 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. Tirupati Steel Traders (Prop : Mahamaya Mines (P) Ltd.) 9. JSR Networks Pvt. Ltd.

B) Related Party Transactions :

Nature of Relationship	Nature of Transactions/ Balances	Amount (₹ In Lacs)	
		Current Year	Previous Year
1. Associates	Sale of Finished Goods	30.75	3.14
	Purchase of Raw Materials	4,788.05	5,456.98
	Share application money given	1,000.00	282.00
	Outstanding balances at year end:		
	Advance for Raw Materials	59.33	-
	Creditor for Raw Materials	-	21.57
	Investment-Share application money	-	282.00
2. Key Managerial Person	Managerial Remuneration	69.24	135.24
3. Relatives of Key Managerial Person	Transportation Charges	30.00	30.00
	Sale of Finished Goods	599.82	-
4. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year	Purchase of Raw Materials	2,700.39	9,239.84
	Sale of Finished Goods	742.25	7,891.51
	Conversion Charges paid	300.72	481.38
	Loans Taken	1,021.00	1,535.00
	Loans repaid	1.00	1,755.00
	Share Application Money repaid	345.00	-
	Outstanding balances at year end:		
	Unsecured loan to be Repaid	1,020.00	
	Creditors for Raw Materials	465.61	517.40
	Trade Receivables	534.52	58.03
	Share Application Money	-	345.00

NOTE 30 : NOTES ON ACCOUNTS
(A) Search operations by Excise Department:

During the financial year, on 13th July 2012, search operations were conducted by the Central Excise Department, excess inventory of 994.08 MT of finished goods and 291.12 MT of raw material of combined value of ₹ 466.69 lacs was noted, the same has been duly accepted in the books of accounts along with shortage of raw material of SMS Division to the tune of 1590.000 MT.

(B) Electricity Duty exemption:

During the year under review the company has applied for exemption from electricity duty in respect of electricity consumed in its SMS Plant. The company has advised that under the Internal Policy of State of Chhattisgarh, it is entitled to get electricity duty exemption of an amount aggregating ₹ 301.34 lacs. Out of this amount, an amount of ₹ 144.54 lacs pertains to accounting year under review i.e. 2012-13 and the remaining amount i.e. ₹ 159.79 lacs pertains to accounting year 2011-12. During the year under review entire amount of ₹ 301.34 lacs has been accounted for as income for the year under review.

(C) After end of the financial year, the management has came to know that one of the employee working in Accounts Department of the Company, has committed forgery by fabricated bills and Good Receipt Note in respect of Stores. The company broadly estimate the amount of this forgery to the tune of ₹ 1.15 crores. The matter has already been given to the Police Authorities and investigation is going on. The

exact impact of this fraud committed by one of the employee of the company will be fully known once the investigation are fully completed. In view of which the management has decided not to account for any impact of this fraud on the financial statements of the company.

- (D) During the year under review, the company has charged interest on all outstandings, where the payment was in arrears. The combined effect of interest so applied to the accounts of various Debtors is ₹ 1.14 crores, recognized as amount due for a period less than 6 months as the recording of this interest has been done at the fag end of the year.
- (E) Parties' accounts are subject to confirmation. Consequential effects adjustment, presently unascertainable, will be provided as and when confirmed.
- (F) 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.
- (G) 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.
- (H) 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.
- (I) 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.
- (J) Separate segment wise reporting is not called for in view of the fact that entire revenue of the Company is from structural manufacturing and all business activities are in India only. The operations of Gas Plant and SMS are mainly for captive use barring insignificant gross ₹ 265.49 lacs from sale of Blooms/ Billets to outside parties.
- (K) The figures in the financial statement have been rounded off to nearest Rupees.

In terms of our report attached
For Batra Deepak & Associates
Chartered Accountants
Firm Reg. No. 005408C

Deepak Batra
Partner
Membersip No. 074052

Place : Raipur
Date : 30th May, 2013

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Place : Raipur
Date : 30th May, 2013



MAHAMAYA STEEL INDUSTRIES LIMITED

Regd. Office: B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur-493221 (C.G.)

ATTENDANCE SLIP

Members Attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company at B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur-493221 (Chhattisgarh), at 1:30 pm on 30th September, 2013.

Full name of the Member
(in block letters)

Signature

Folio No.: _____

DPID/Client ID.: _____

Full name of the Proxy
(in block letters)

Signature

NOTES :

- (i) Member/Proxy-holder wishing to attend the meeting must bring the Attendance Slip to the meeting.
- (ii) Member/Proxy-holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

MAHAMAYA STEEL INDUSTRIES LIMITED

Regd. Office: B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur-493221 (Chhattisgarh)

PROXY

I/We _____ being a Member/Members of the above named Company, hereby appoint _____ or failing him _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Monday, 30th September, 2012 at any adjournment thereof.

Signed this _____ day of _____ 2013

Folio No.: _____

DPID/Client ID.: _____

No. of Shares

Signature

(Affix Revenue Stamp)

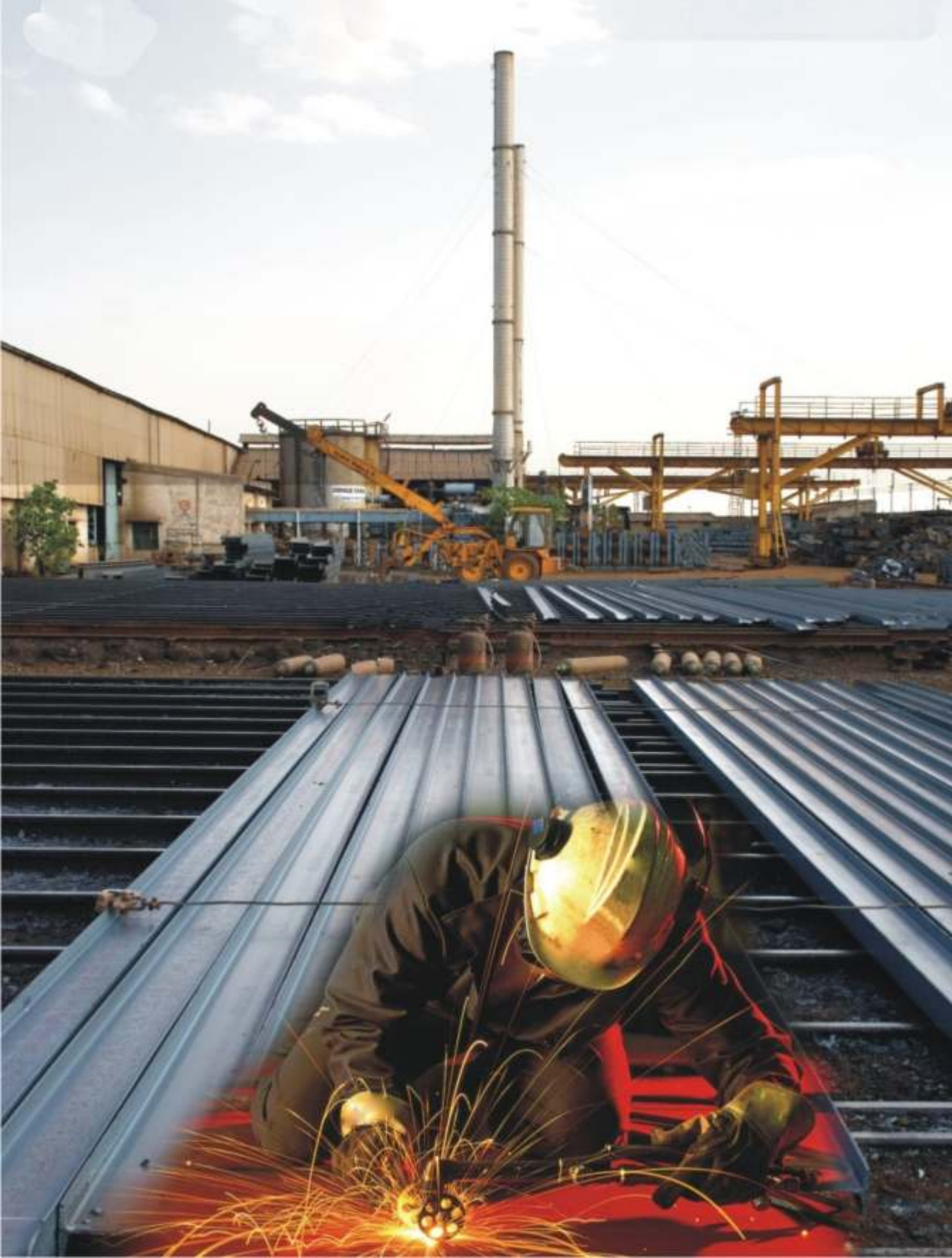
This form is to be used ~~**in Favour~~ of the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

~~** against~~

~~** Strike out whichever is not desired.~~

NOTES:

- (i) The Proxy must be returned so as to reach the Registered Office of the Company, B-8/9, Sector-C, Urla Industrial Area, Sarora, Raipur-493221 (Chhattisgarh), not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
- (ii) Those members who have multiple folios with different joint-holders may use copies of this Attendance Slip/ Proxy.



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
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