

MAHAMAYA

ISO 9001 : 2008



MAHAMAYA STEEL INDUSTRIES LIMITED

28th ANNUAL REPORT 2015-16



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COMPANY'S GENERAL INFORMATION

BOARD OF DIRECTORS:

Mr. Rajesh Agrawal

Mrs. Rekha Agrawal

Mr. Yewesh Yede

Mr. Niraj Kansal

Mr. Manish Kumar Agrawal

Mr. Atul Garg

Managing Director

Director

Additional Director

Director

Director

Director

COMPANY SECRETARY:

Mrs. Jaswinder Kaur Mission

CHIEF FINANCIAL OFFICER:

Mr. Praveen Kumar Chavda

STATUTORY AUDITOR:

M/s. R.K. Singhanian & Associates

BANKERS:

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

ANNUAL GENERAL MEETING:

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

A REQUEST

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

REGISTERED OFFICE & WORKS:

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

REGISTRAR & SHARE TRANSFER AGENT:

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

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

Managing Director's Speech

Dear Shareholders,

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

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

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

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

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



from their lows reached in February 2016.

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

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

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

With the current market scenario set to improve, the company has already improved our production quantity wise so that we can capture the opportunity which can directly affect our profit ratio. We are glad to inform that in the first two months of the current financial year (FY-2016-17), the company has already booked new orders of Rs 1250 lakhs .

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

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

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

With best regards:

Rajesh Agrawal

Managing Director

NOTICE**Mahamaya Steel Industries Limited**

(CIN: L27107CT1988PLC004607)

Regd. Office:

B/8-9, Sector - C, Urla Industrial Area,
Sarora, Raipur - 493 221, Chhattisgarh

Tel. : +91 771 4006666 (30 Lines)

Fax No. : +91 771 4006611

Email : csmahamaya@gmail.com

Web. : www.mahamayagroup.in

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

Ordinary Business:

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

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

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

Special Business:

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

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

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

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

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

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

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

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

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

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

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

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

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

Rs. 300 Crore from 30th September, 2016 till 30th September, 2017)

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

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

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

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

Transportation Services to be received from Rajesh Agrawal HUF

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

By Order of the Board

Rajesh Agrawal
Managing Director

Place: Raipur
Date: 15th June, 2016

NOTES:

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

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

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

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