

MAHAMAYA

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MAHAMAYA STEEL INDUSTRIES LIMITED

31st ANNUAL REPORT 2018-19



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COMPANY'S GENERAL INFORMATION

BOARD OF DIRECTORS :

Mr. Rajesh Agrawal
Mrs. Rekha Agrawal
Mr. Suresh Raman
Mr. Suresh Prasad Agrawal
Mr. Uday Raj Singhania
Mr. Rajesh Lunia

Managing Director
Executive Director
Executive Director & Chief Financial Officer
Independent Director
Additional Independent Director
Additional Independent Director

COMPANY SECRETARY :

Mrs. Jaswinder Kaur Mission

REGISTERED OFFICE & WORKS :

B/8-9, Sector - C,
Urla Industrial Area,
Sarora, Raipur - 493 221 (Chhattisgarh)
Telephone: +91 771 4910058
Fax No.: +91 771 4006611
Email: cs@mahamayagroup.in
Website: www.mahamayagroup.in

STATUTORY AUDITOR:

M/s KPRK & Associates
Nagpur (M.H.)

COST AUDITOR:

M/s Sanat Joshi & Associates
Raipur (C.G.)

BANKERS:

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

REGISTRAR & SHARE TRANSFER AGENT:

M/s Link Intime India Private Limited,
C-101, 247 Park,
L.B.S. Marg, Vikhroli (W)
Vikhroli (W),
MUMBAI - 400 083 (M.H.)
Contact : 022-49186000
Email: dematremat@linkintime.co.in,
rnt.helpdesk@linkintime.co.in

CIN: L27107CT1988PLC004607

ANNUAL GENERAL MEETING:

Monday, September 30, 2019 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.

Managing Director's Speech

Dear Shareholders,

Being core sector, steel industry tracks the overall economic growth in the long term. Also, steel demand, being derived from other sectors like automobiles, consumer durables and infrastructure, its fortune is dependent on the growth of these user industries. The Indian steel sector enjoys advantages of domestic availability of raw materials and cheap labour. Iron ore is also available in abundant quantities. This provides major cost advantage to the domestic steel industry.

The Indian steel industry, after recovering from the twin shocks of demonetisation and the Goods and Services Tax (GST) reform, is one of the few bright spots for the world's steel industry in what is forecasted to be a lower growth era. India's apparent steel use per capita for finished steel products stood at 66.2 kg, way below the world average of 212.3 kg in 2017, which suggests that India has a huge unrealised potential for steel demand growth

A Worldsteel study of India, conducted in collaboration with the Indian Steel Association and the support of Indian member companies, identifies the construction sector as a pan-India steel demand driver on the back of strong infrastructure development and housing demand, especially affordable housing. Projects like industrial corridors (connecting existing industrial cities and develop manufacturing sectors) and Sagarmala (connecting states through waterways) will increase India's connectivity, reducing logistical costs of transportation across Indian states. The Smart Cities initiatives will further boost urban infrastructure investment. There are currently 99 smart cities planned across India. The outlook for India's manufacturing sector, which has been lagging behind the service sector as a growth driver, should improve.

Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel. The Union Cabinet,



Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31. The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million). The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

The year 2018-19 was very much favorable for Steel Industry because of it your Company has also grabbed as much opportunities as possible and had performed very well. The results could have been better but due to the elections and certain other factors your company could not grab all the opportunities.

We are glad to inform you all that during the year 2018-19 Your Company has earned revenue from operation of Rs. 46517.06 Lacs giving a significant growth of approx 53.57% as compared to last year. The Net Profit of Your Company stood at Rs. 610.35 Lacs during the year ended on March 31, 2019 against Rs. 253.40 Lacs of previous year ended on March 31, 2018.

For the current year also if the market conditions will be favorable it is expected to grow even better, but at present the market is not very good there is reduction in prices of approx 30 percent also there are lots of changes going on in respect of Government Policies, as and when it becomes little stable your company will strategise accordingly and will try to achieve even more better.

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 2018-19 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 4910058

Fax No. : +91 771 4006611

Email : cs@mahamayagroup.in

Web. : www.mahamayagroup.in

Notice is hereby given that the Thirty First Annual General Meeting of the Members of the Mahamaya Steel Industries Ltd. will be held on Monday 30th September, 2019 at 11.00 am at Registered Office at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 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.

Special Business:

3. **To appoint Mr. Uday Raj Singhania (DIN: 02465416) as a Non-Executive Independent Director of the Company.**

To consider and, if thought fit, to give your assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT Mr. Uday Raj Singhania who was appointed by the Board of Directors as an Additional Director of the Company with effect from 22nd September, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Uday Raj Singhania, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and in respect of whom the Company has received a notice in

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writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Uday Raj Singhania as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing from 22nd September, 2018 to 21st September, 2023.

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."

4. To appoint Mr. Rajesh Lunia (DIN: 08441126) as a Non-Executive Independent Director of the Company.

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

"RESOLVED THAT Mr. Rajesh Lunia who was appointed by the Board of Directors as an Additional Director of the Company with effect from 4th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Rajesh Lunia, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rajesh Lunia as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing from 4th May, 2019 to 3rd May, 2024.

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. Ratification of Remuneration of Cost Auditors of the Company

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. 35,000/- (Rupees Thirty Five Thousand Only) including out of pocket expenses if any plus GST as applicable, to be paid to M/s Sanat Joshi & Associates, Cost Accountants (Firm Registration no. 000506), Cost Auditors of the Company, for the financial year 2019-20, 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 authorized 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(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any amendment, modification or re-enactment thereof) and rules made there under and Schedule V thereto and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), consent be and is hereby accorded for continuation of payment of remuneration to Mr. Rajesh Agrawal, Managing Director & Promoter and Mrs. Rekha Agrawal, Executive Director & Promoter as per the existing terms and conditions as approved by the shareholders at the Annual General Meeting held on 29th September, 2017 till 31st March, 2020, and notwithstanding that:

i) annual remuneration to each of them exceeding Rs. 5 Crores or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

ii) their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, till 31st March, 2020.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized 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."

7. 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

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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 including any modifications thereof and such other transactions as required in connection to efficiently carry out the operations of the Company from 30th September, 2019 till 30th September, 2020.

(A) Sale, Purchase & Services to be received from Abhishek Steel Industries Limited (Limit of Rs. 250 Crore from 30th September, 2019 till 30th September, 2020)

- 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. 150 Crore from 30th September, 2019 till 30th September, 2020)

- 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. 100 Crore from 30th September, 2019 till 30th September, 2020)

- 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, 2019 till 30th September, 2020)

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.

Place: Raipur
Date: 5th September, 2019

By Order of the Board

Rajesh Agrawal
Managing Director