

# MAHAMAYA

ISO 9001 : 2008



**MAHAMAYA** STEEL INDUSTRIES LIMITED

**32<sup>nd</sup> ANNUAL REPORT 2019-20**



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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  
Independent Director  
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  
Email: [cs@mahamayagroup.in](mailto:cs@mahamayagroup.in)  
Website: [www.mahamayagroup.in](http://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: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in),  
[dematremat@linkintime.co.in](mailto:dematremat@linkintime.co.in)

**CIN : L27107CT1988PLC004607**

### 32nd ANNUAL GENERAL MEETING :

Wednesday, December 23, 2020 at 11.00 am to be convened through Video Conferencing (VC) / Other Audio Visual Means (OAVM).



## ***Managing Director's Speech***

***Dear Shareholders,***

*It is my privilege to write to you and present the Annual Report for FY 2019-20. I hope this letter finds you safe and in good health.*

*For most of FY 2019-20, the global steel industry faced a number of challenges due to global demand and geopolitical tensions which have affected the contours of the business environment in which we operate. Next came the onset of the COVID-19 pandemic in the final quarter of the year, which ushered in a new reality for industries across the world. The pandemic of COVID-19 has proven to be a critical turning point in the history of human race and is set to reshape the global society. Despite its challenges, the pandemic has presented an opportunity for all of us to introspect and rediscover new opportunities, rebuild our environment, and re-establish our economy. The world needs to embrace more responsible and sustainable choices for future generations. I am hopeful that with appropriate action aided by modern technology, things will soon turn around.*



*The Global Economy grew at 2.9% in 2019, against a growth forecast of 3.5% due to weakening international trade and slowdown in manufacturing. In 2020, economic growth was initially projected to be marginally lower than 2019, with likely easing of US-China trade tensions and consumption led recovery in emerging and developing economies. However, given the fast-moving nature of the impact of COVID-19 across geographies, GDP forecasts of 2020 are frequently being revised, with a common underlying view that the GDP contraction is likely to be deeper than the global financial crisis. According to World Steel Association ('WSA'), global crude steel production reached 1,869.9 MnT in 2019, up by 3.4% compared to 2018, largely contributed by China's crude steel production of 996.3 MnT. China's share in global crude steel production increased from 50.9% in 2018 to 53.3% in 2019. Given the current scenario of pandemic, the global steel industry is likely to be impacted by*

*significant fall in manufacturing, postponement of investments and slowdown of construction activities in next few quarters across most of the economies. After slower than expected growth in 2019, mainly due to a deep manufacturing recession in developed economies, a further decline in global steel demand in the second quarter of 2020 is seen, with a further downside associated with the uncertainty on the duration of the disruption.*

*The Indian economy witnessed a growth of 4.7% in Q3 FY20, due to significant fall in manufacturing and agricultural output, while service sector growth remained stable. Marginal improvement in consumption was witnessed in Q3-Q4 FY20, during the festival season and back to back rate cuts taken by the Reserve Bank of India ('RBI'). However, the nationwide lockdown announced in March 2020 to control spread of COVID-19, brought the economic activity to a virtual standstill, especially in the manufacturing and service sectors. Except essential services, all other business activities almost ceased. The growth rate for FY20 is expected to be lower than the previous forecast, mostly due to a low Q3 growth and an extremely poor Q4 FY20. With the production of 102 MnT, India recorded the second largest crude steel production in 2019 (CY) up by 1.8% over 2018 (CY). Indian Steel demand for FY20 has seen a de-growth of -2.1% (excluding stock changes). Factoring for stock changes in the system, steel demand in FY20 would be at the same level as of FY19.*

*As we look ahead, it is important to gauge COVID19's unprecedented impact. Our Company is confident in its ability to navigate this period through strong financial discipline, a reduction in capital expenditure and cash flow management.*

*Despite the difficult environment, our Company operated its plants at Optimum levels of capacity. and delivered Profit/(Loss) after Tax (PAT) of Rs. 325.09 Lacs in FY 2019-20. Total standalone revenue stood at Rs 35837.59 Lacs. All through the year, we ensured that business was operated with a sharp focus on safety, while maintaining margins and a consistent drive to optimize operational costs.*

*Our Company demonstrated stronger operating parameters with improved internal capabilities, fit to cater to customers with ever-evolving demand. The health and safety of its workforce has always been paramount to the Company. As per the guidelines issued by Ministry of Home Affairs(MHA) under which industries/industrial establishments including continuous process ones and their supply chain components could operate in urban and rural areas, Our Company started operations from May, 2020 in a gradual manner. Inter-State transport of goods and materials were also permitted without any interruption. In keeping with these guidelines, the Company has been continuing its operations and gradually ramping up its capacities.*

*I am extremely proud of our employees who continuously demonstrate high standards of professionalism. Time and again, they have proven them through relentless efforts that lead the organization out of challenging situations.*

*We are entering the new fiscal year at a time when all major economies have been brought to a standstill. The impact has been very fast and widespread, and the first two quarters of FY 2020- 21 were very difficult for both individuals and organizations. On the other hand, the economic downturn is not due to any structural problem in any industry, but due to an externality that has hit the pause button on all economic activity. Whenever that externality is removed, an equally quick recovery should follow.*

*Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route.*

*The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15 per cent in notified steel products covered under preferential procurement. In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import.*

*Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge in near term. The demand from infrastructure, construction, and real estate sectors is subdued in the first half of the Financial Year 2020-21 due to the lockdown followed return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21.*

*Our strong and deep relationships with a high quality customer base, give us strength to cut the difficulties. The next few months will be difficult, but your company has deep relationships with customers and partners, enviable scale, a robust and resilient business model, and strong financials. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share. Your company is well poised to take the lead in partnering customers to recover and rebound on to the growth and transformation journeys.*

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

Telephone: +91 771 4910058

Fax No.: +91 771 4006611

Email: cs@mahamayagroup.in

Website: www.mahamayagroup.in

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of the Mahamaya Steel Industries Ltd will be held on Wednesday, 23<sup>rd</sup> December, 2020 at 11.00 am through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

#### **Ordinary Business:**

1. To consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements) of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Raman (DIN: 07562480), who retires by rotation and being eligible, offers himself for re-appointment.

#### **Special Business:**

##### **3. Reclassification of Authorized Share Capital of the Company**

**To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, or any statutory modification(s), amendment or re-enactment thereof and subject to such approvals, permissions, and sanctions, if any, as may be necessary from any concerned authorities, the existing Authorized Share Capital of the Company of Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided in to 1,50,00,000 (One Crores Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only), 30,00,000 (Thirty Lakhs Only) Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 3,00,00,000/- (Rupees Three Crores Only) (Convertible in to Equity Shares as per the terms of issue) and 4,20,00,000 (Four Crores Twenty Lakhs Only) 8% Redeemable Non- Convertible Non- Cumulative Preference Shares of Rs. 10/- each aggregating to Rs. 42,00,00,000/- (Rupees Forty-Two Crores Only) be and is hereby re-classified to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided in to 2,40,00,000 (Two Crores Forty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 24,00,00,000/- (Rupees Twenty-Four Crores Only) and 3,60,00,000 (Three Crores Sixty Lakhs Only) 8% Redeemable Non- Convertible Non- Cumulative Preference Shares of Rs. 10/- each aggregating to Rs. 36,00,00,000/- (Rupees Thirty-Six Crores Only).

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be and is hereby replaced by inserting the following para as Clause V.

- V. The Authorized Share Capital of the Company is Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided in to 2,40,00,000 (Two Crores Forty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 24,00,00,000/- (Rupees Twenty-Four Crores Only) and 3,60,00,000 (Three Crores Sixty Lakhs Only) 8% Redeemable Non- Convertible Non- Cumulative Preference Shares of Rs. 10/- each aggregating to Rs. 36,00,00,000/- (Rupees Thirty-Six Crores Only) on terms and conditions as may be decided by the Board of Directors and shall rank in priority to the equity shares in the event of winding up of the Company but shall not be entitled to any participation in the profits or surplus of the company with power to divide the share in the capital for the time being in to equity shares capital and / or preference share capital, with or without voting rights as may be permissible at law, and to attach thereto respectively,



any preference shares, qualified or special right, privileges or condition as may be determined by or in accordance with the provision of the companies act, 1956 and the regulations of the company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors or Committee thereof be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and settle any question that may arise in this regard."

#### 4. Alteration of Articles of Association

**To consider and, if thought fit, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 14 and all other applicable provisions if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force and subject to approvals, permissions and sanctions from the appropriate authority, if any and Rules made thereunder, the Articles of Association of the Company be and is hereby altered by substituting the existing Article 4a thereof with the following new Article 4a as under:

**"Article 4a: -**The Authorized Share Capital of the Company will be as may be specified under clause V of the Memorandum of Association of the Company from time to time."

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company."

#### 5. Issue of Equity Shares on Preferential Allotment basis to the Promoters

**To consider and, if thought fit, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42 and 62(1)(c) of the Companies Act, 2013 (the "**Act**") and other applicable provisions, if any, of the Act and Rules made thereunder and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchange where the Equity Shares of the Company are listed, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "**SEBI (LODR) Regulations**"), and any other rules/regulations/ guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India ("**SEBI**"), including Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "**SEBI (ICDR) Regulations**"), the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (the "SEBI Takeover Regulations"), Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2019 and Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, Master Direction on Foreign Investment in India issued by the RBI, Foreign Exchange Management (Non- debt Instruments) Rules, 2019 etc. and other foreign exchange regulation provisions in India as may be applicable and subject to necessary approvals, permissions, sanctions and consents as may be required, as may be applicable or any regulatory and other appropriate authorities (including but not limited to the Securities and Exchange Board of India ("**SEBI**"), the Government of India, MCA, RBI etc.) if any and all such other approvals, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent, authority and approval of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 12,00,000 (Twelve Lakhs only) fully paid-up Equity Shares of Rs.10/- each of the Company, for cash at a price which shall not be less than the minimum specified price as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to Escort Finvest Private Limited (CIN:- U65993CT1992PTC008268) under Promoter category as mentioned in the Explanatory Statement annexed hereunto to this Notice, by way of Preferential Allotment in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit;

**RESOLVED FURTHER THAT:**

- i. The relevant date for the purpose of issue of Equity Shares as per Chapter V of the SEBI (ICDR) Regulations, 2018, as amended upto date for the purpose of determination of the applicable price of equity shares is Monday the 23<sup>rd</sup> November, 2020 being the date, which is 30 days prior to the date of the Annual General Meeting i.e. Wednesday, the 23<sup>rd</sup> day of December 2020, and other relevant provisions of the Companies Act, 2013, to consider the proposed issue.”
- ii. The Offer, Issue and Allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide.
- iii. The Proposed Allottee of equity shares shall be required to bring in 100% of the consideration on or before the date of allotment thereof;
- iv. The consideration for allotment of equity shares shall be paid to the Company by the Proposed Allottee from its respective bank accounts;
- v. Allotment of equity shares shall only be made in dematerialized form.
- vi. The equity shares shall be issued and allotted by the Company to the Proposed Allottee in dematerialized form within a period of 15 (Fifteen) days from the date of receipt of Members' approval, provided that, where the issue and allotment of the said equity shares is pending on account of pendency of any approval by any Regulatory Authority (including, but not limited to the BSE Limited, National Stock Exchange of India Limited (NSE) and/or SEBI), MCA or the Government of India, the issue and allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.
- vii. The Equity shares to be allotted to the Promoter pursuant to the proposed Special Resolution shall be subject to lock-in as per the requirements of SEBI (ICDR) Regulations 2018 as amended from time to time.
- viii. The equity shares issued to the Proposed Allottee shall be listed on the stock exchanges (BSE Limited and National Stock Exchange of India Limited (NSE)) where the existing equity shares of the Company are listed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Shares as may be required or as may be necessary in accordance with the terms of the offer, and all such equity shares shall be ranking *paripassu* and *inter-se* with the then existing equity shares of the Company in all respects including dividend;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment, listing thereof with stock exchanges and to resolve and settle all questions and difficulties that may arise in the proposed issue, allotment, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee or Sub-Committee of Directors or the Chairman or any other Director(s) or Company Secretary or Officer(s) of the Company to give effect to the aforesaid resolution, with the power to such Committee/sub-Committee of the Board to further delegate all or any of its powers/duties to any of its members.”