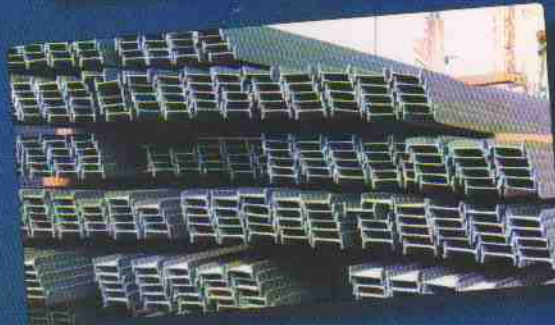


# MAHAMAYA



**MAHAMAYA STEEL INDUSTRIES LIMITED**

(FORMERLY RAJESH STRIPS LIMITED)

An ISO 9001 : 2008 Company

**22ND ANNUAL REPORT 2009-10**



# MAHAMAYA

CONTENTS	PAGE NO.
Chairman,s Speech	01
Notice of Annual General Meeting	09
Director's Report	16
Auditor's Certificate on Corporate Governance	42
Auditor's Report	43
Financial Statements	48
Cashflow Statement	67
Attendance Slip & Proxy Form	69

## COMPANY GENERAL INFORMATION

### Board of Directors:

Shri Ramanand Agrawal  
Shri Rajesh Agrawal  
Smt. Gulab Bai Agrawal  
Shri D.K. Porwal  
Shri Neeraj Kansal  
Shri Gitesh Agrawal  
Shri Manish Agrawal  
Shri Atul Garg

Chairman & Managing Director  
Executive Director  
Executive Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director

### COMPANY SECRETARY:

Shri Prahallad Sawadia

### STATUTORY AUDITORS:

M/s. BATRA DEEPAK & ASSOCIATES  
Chartered Accountants,  
17/901, Guru Gobind Nagar,  
Opp. Dr. Verma's Clinic,  
RAIPUR - 492 001 (Chhattisgarh)

### BANKERS:

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

### REGISTERED OFFICE & WORKS

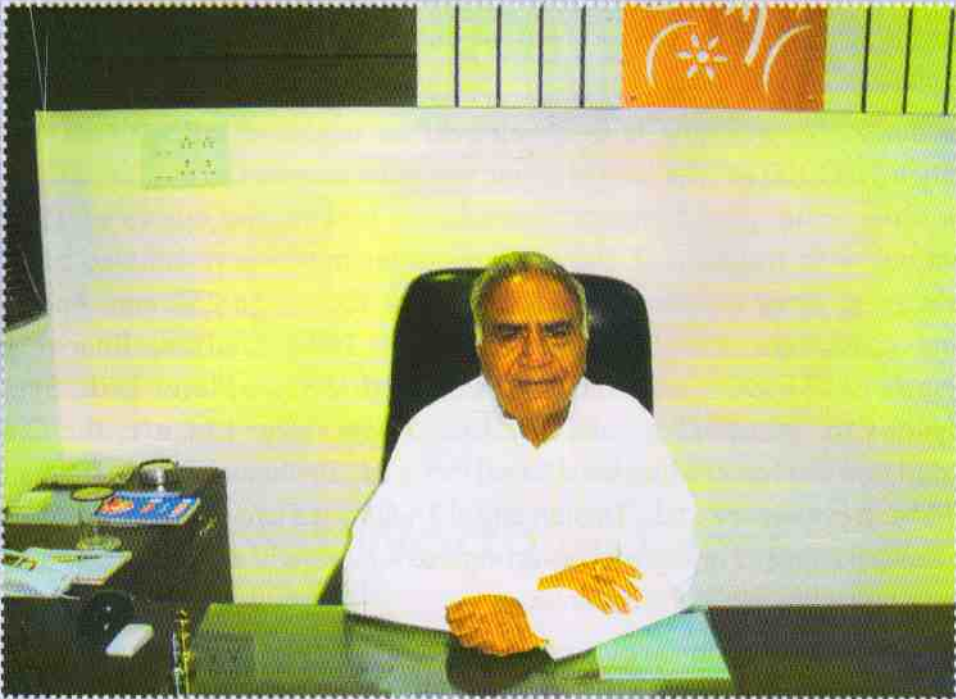
B/8-9, Sector-C, Urla Industrial Complex,  
Sarora,Raipur - 493221 (Chhattisgarh)  
Telephone: +91 771 4006666 (30 Lines)  
Fax: +91 771 4006611, 2324401  
E-mail: mahamaya@rajeshstrips.com  
Website: mahamayasteelindustries.com

### REGISTRAR & SHARE TRANSFER AGENTS:

System Support Services  
209, Shivai Industrial Estate,  
89,Andheri Kurla Road,  
Sakinaka, Andheri (E)  
MUMBAI - 400 072



## Chairman's Letter to Shareholders



### *Dear Shareholders,*

It gives me great pleasure to present the 22<sup>nd</sup> Annual Report for the year 2009-10. This was a year of incredible challenge for businesses all over the World. We were faced with an extremely tough business climate due to heavy fall in rates. But with robust business plans and with the commitment and dedication of the entire Mahamaya team, we could achieve the production of 1.79 lac tonnes of steel structural and 1.04 lac tonnes of Billets. The production of steel structural increased by 36.60% as compared to last year. EBIDTA increased from Rs. 2229.42 lacs to Rs. 2801.08 lacs thereby registering the increase of 25.64%.

In the current year the steel structural sale was 1.32 lac MT as against 0.92 lac MT in previous year. The conversion sales was at 0.41 lac MT as against 0.31 lac MT in previous year.

Last year your company had successfully completed the first phase of expansion by adding 150000 MT PA capacity of Heavy Structure Mill. Due to which this year your Company has introduced new product lines like Angles, H Beam etc. and we are now going for second phase of expansion for which the MoU had already signed with the Government of Chhattisgarh for setting up a



50 MW Power Plant. The Company has already acquired land admeasuring 100 acre. The process of obtaining clearance has started. The operations of the Company would be more cost effective once the power is available from own power plant.

A new Concaster machine is also going to be implemented with an installed capacity of 100000 MTPA, and is expected to be completed by Dec 2010. With our existing setup your company is producing blooms and billets of 160mm to 320mm but with the help of the new concaster machine it will also be able to produce small sizes blooms and billets of size 100mm to 250 mm. Apart from existing customers like Steel Authority of India Limited, Bharat Heavy Electricals Ltd., Essar Construction (India) Ltd., Hazira Plates Ltd., Stewards and Llyods Ltd., Mundra Port and SEZ Ltd., Adani Power Ltd. etc, the Company could add new customers like Baid Steel Pvt. Ltd., Brahmani Industries Limited, Sunil Hitech Engineers Ltd., Tulsian Steel Industries Ltd. etc. Association with these new customers along with existing customers will enable the Company to generate more business and revenue.

During the year under review your Company has redeemed 1,000,000 preference shares of Rs.10/- each before the stipulated due date.

During the year your Company has issued 10,000,000, 8% Redeemable Non Convertible Non Cumulative Preference shares of face value of Rs.10/- each at a premium of Rs 10 each

During the year under review your Company has incurred Capital Expenditure on Fixed Assets of Rs. 6.99 crores which is entirely funded with internal accruals.

I am also happy to share that your Company has taken initiatives to upgrade its processes, technology and simultaneously create the HR backbone for a larger and scaled-up organization.

My thanks to entire team of Mahamaya for their dedication and hardwork. And too, my thanks to our bankers and customers for their continued support. Last, but not the least, please allow me to express my appreciation and gratitude to you for your faith in the Company. I assure you, Mahamaya Steel Industries Limited is set to move to a higher growth trajectory- which would deliver better results in the future.

With due regards,  
Ramanand Agrawal  
Chairman





## Vision

We aspire to maintain our leadership position in the steel industry by producing the best quality steel products, continuously enhancing customer satisfaction and becoming a reliable business partner of our customers and suppliers.

Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization.

Protect the interest of our shareholders through sustainable growth and value creation.

Preserve the trust of all our stakeholders by adopting ethical business practices.

Support the society through Corporate Social Responsibility initiatives.

With due regards,

Rajesh Agrawal

Director



# Core Values...

**Sustainable Growth:** Consistent improvement in the equality of products and services, efficiency of processes and profitability of business, continuously anticipating and responding to the changing business and environmental needs using innovation, sharing knowledge and experience within the organization.

**Quality:** Creating Products and services valued by our customers, constantly improving our processes through innovation and adopting best practices, reducing wastage, minimizing cost, investing in systems and technology, and developing our people to build a highly capable workforce.

**Reliability:** Be the preferred business partner of our customers and suppliers by offering quality products, providing our best and timely service before, during and after the business transactions, and honoring all our commitments despite challenges.

**Trust:** Preserve the faith and goodwill of all our stakeholders customers, shareholders, suppliers, employees, regulatory bodies and society by adopting ethical and transparent business practices, being fair and honest in all our dealings and building robust governance and risk management processes.

**Leadership:** Be a role model, setting benchmarks through our products, processes and people, constantly moving ahead of competition by differentiating our products, innovating our processes, increasing our market share and nurturing talent to develop leaders within the organization.

**Social Responsibility:** Acknowledge and fulfill our obligation towards the society by undertaking initiatives for the general upliftment of the society, building capability and making facilities available to the underprivileged.

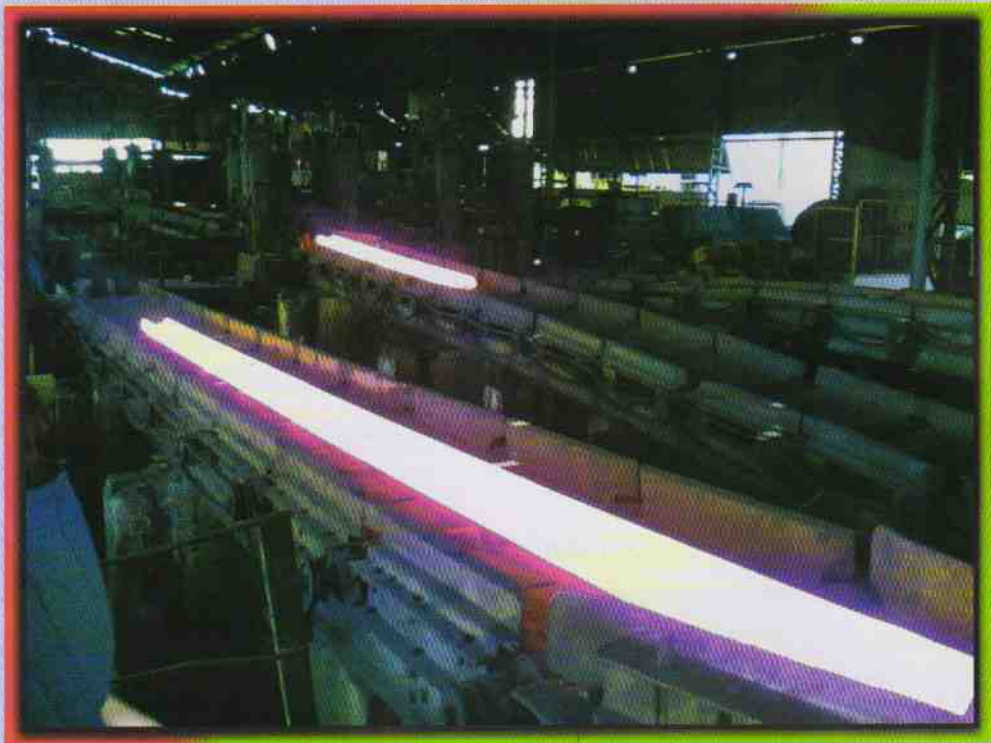
**Customer Satisfaction:** Delight our external and internal customers at every stage of our interaction with them by truly understanding their needs, offering them our best products and services, treating them with respect and actively seeking and acting on their feedback.



# SIGNIFICANT MILESTONES

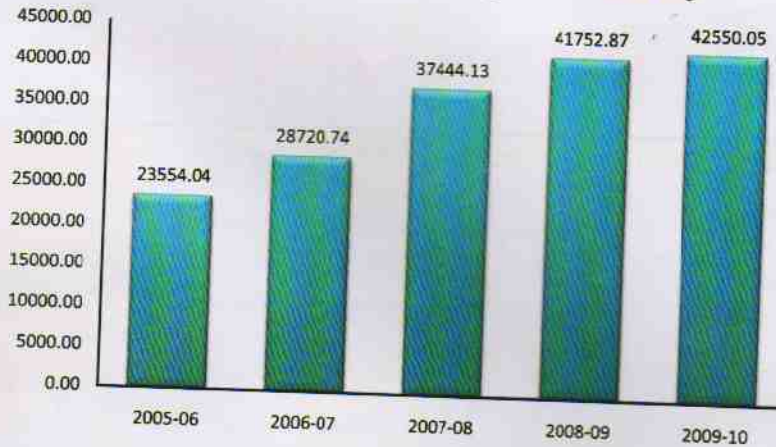
YEAR	ACTIVITIES
1989	Started production of Joist and Channel up to 250mm
1994	Raised fund through Public issue
1998	Set up of Rolling Mill Unit with enhanced capacity and Product range. Company was first in the Private Sector in the Country to produce Joist of 600mm.
1999	Manufacturing of Crossing Sleeper Bar for railway for both broad and narrow gauge and first in the country.
2005	Setup of Oxygen Plant for captive use as well as for sale.
2008	Setup of SMS Plant with the objective of Backward Integration. Company started production of Billets and Blooms for captive use.
2009	Setup of another Rolling Mill and enhance the capacity as well as Product range by adding H Beam and Angles to fulfill the demand of the customer in fabrication.







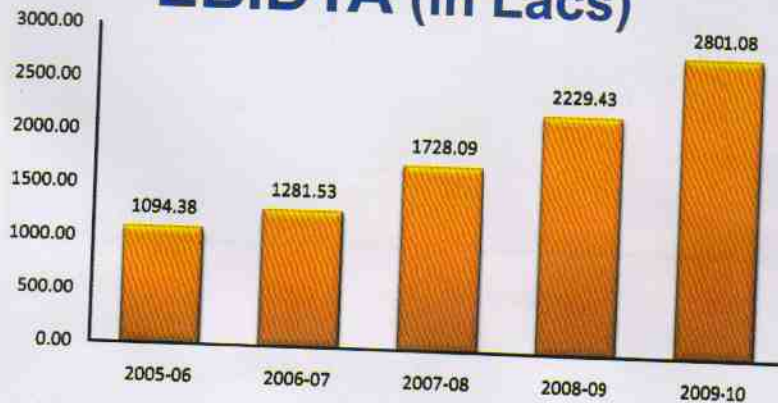
## Gross Sales (in Lacs)



## Net Worth (in Lacs)



## EBIDTA (in Lacs)





## FINANCIAL HIGHLIGHTS

PROFITABILITY (Rs. In Lacs)	2009-10	2008-09	2007-08	2006-07
<b>Gross Sales</b>	<b>42550.05</b>	<b>41752.87</b>	<b>37444.13</b>	<b>28720.74</b>
Excise Duty	3026.96	4386.44	4857.42	3920.28
Sales Tax and VAT	918.95	846.73	789.88	633.18
<b>Net Sales</b>	<b>38604.16</b>	<b>36519.7</b>	<b>31796.84</b>	<b>24167.29</b>
<b>EBITDA</b>	<b>2801.09</b>	<b>2229.43</b>	<b>1728.09</b>	<b>1281.53</b>
Depreciation	865.2	328.26	197.82	184.31
Interest	604.46	562.34	212.66	238.8
<b>Profit Before Tax and Prior Period Adjustment</b>	<b>1331.43</b>	<b>1338.83</b>	<b>1317.61</b>	<b>858.42</b>
Prior Period Adjustment	4.73	-9.57	-	-
<b>Profit Before Tax</b>	<b>1336.16</b>	<b>1329.26</b>	<b>1317.61</b>	<b>858.42</b>
Provision for Current Tax	228.04	137.00	152.22	64.03
Income Tax Pertaining to Earlier Year	15.00	0.87	34.36	-
Provision for Deferred Tax	7.13	455.36	207.41	293.17
Fringe Benefits Tax	-	1.90	1.35	1.11
<b>Net Profit</b>	<b>1085.99</b>	<b>734.13</b>	<b>922.27</b>	<b>500.31</b>
gsPerShare 6.31 5	.46	.83	.8	

## QUANTITATIVE SUMMARY

PRODUCTION QTY.	2009-10	2008-09	2007-08	2006-07
Structural Steel (MT) (Joist, Channels, Angles and End Cutting)	178591.455	130740.385	107378.132	102110.222
Blooms and Billets (MT)	104067.485	58201.720	-	-
Oxygen Cylinders (Nos.)	112730	98805	105814	76232



## NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of Mahamaya Steel Industries Ltd will be held on 28th September, 2010 at 11.00 A.M. at its registered office at Plot B-8/9, Sector C Urla Industrial Area, Sarora, Raipur-493221 (Chhattisgarh) to transact the following business: -

### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31st, 2010 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2010 on Equity Shares and on Preference Shares.
3. To appoint a director in place of Mrs. Gulab Bai Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a director in place of Mr. Gitesh Agrawal who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s Batra Deepak & Associates, Chartered Accountants as Statutory auditors of the Company for the financial year 2010-2011 to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Mr. Manish Kumar Agrawal, who was appointed as an Additional Director on 30.01.2010 pursuant to the provisions of Section 260 of the Companies Act 1956, and who holds office up to date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act 1956 from a member in writing, proposing candidature for the office of the director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Atul Garg, who was appointed as an Additional Director on 30.01.2010 pursuant to the provisions of Section 260 of the Companies Act 1956, and who holds office up to date of this Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Companies Act 1956 from a member in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To consider and if thought fit, to pass, the following resolution as a Special Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (the "Act") including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration issued by the Central Government from time to time or any other



law and subject to such approvals as may be necessary and as are agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the appointment of Mr. Rajesh Agrawal, Executive Director of the Company as Managing Director of the Company from 1st October, 2010 to 1st October, 2015 the terms and conditions thereof and the remuneration payable to Mr. Rajesh Agrawal with effect from 1st October, 2010 as set out below:

Designation: Managing Director

Term: 5 Years

Salary: 4,00,000 / month

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

**"RESOLVED THAT** The authorized share capital of the company be increased from Rs. 50 crores to Rs. 60 crores by further creation of 1 crore 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10/- each ranking pari passu with the existing 8% Redeemable Non Convertible Non Cumulative Preference Shares.

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

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association be altered as under:

"Clause V : The authorized share capital of the company shall be Rs. 600,000,000 (Rupees Sixty Crores Only) divided in to 15,000,000 (One Crore Fifty Lakhs Only) Equity shares of Rs. 10/- each aggregating to Rs.150,000,000 (Rupees Fifteen Crores only), 3,000,000 (Thirty Lakhs Only) Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 30,000,000 /-( Rupees Three Crores Only)( Convertible into Equity Shares as per the terms of issue) and 42,000,000 (Four Crore Twenty Lakh Only) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 10 each aggregating to Rs.4,20,000,000/- (Rupees Fourty Two 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 shares in the capital and / or Preference Share capital , with or without voting rights as may be permissible at law, and to attach thereto respectively, any Preference Share, qualified or special right, privileges or conditions as may be determined by or in accordance with the provisions 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."

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

**RESOLVED FURTHER THAT** Article 4a of the Articles of Association be altered as under:

"Article 4a : The authorized share capital of the company shall be Rs. 600,000,000 (Rupees Sixty Crores Only) divided in to 15,000,000(One Crore Fifty Lakhs Only) Equity shares of Rs. 10/- each aggregating to Rs.150,000,000(Rupees Fifteen Crores only), 3,000,000 (Thirty Lakhs Only) Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 3,00,00,000 /- ( Rupees Three Crore Only) ( Convertible into 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 Fourty Two 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 shares in the capital and / or Preference share capital , with or without voting rights as may be permissible at law, and to attach thereto respectively, any preference share, qualified or special right, privileges or conditions as may be determined by or in accordance with the provisions 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."

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

**RESOLVED THAT** subject to the provision of the Companies Act, 1956, Securities Contracts (Regulation) Act,1956, and the rules framed there under, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, consent of the members be and is hereby accorded to delist the Equity shares of the company from Jaipur, Calcutta, Madhya Pradesh, Hyderabad Stock Exchange in accordance with and subject to the conditions specified in the said Delisting Guidelines.

**RESOLVED FURTHER THAT** the securities of the company shall continue to be listed on the stock exchange having nationwide trading terminals i.e. the stock exchange of Mumbai.

**RESOLVED FURTHER THAT** the Board of directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary and expedient to give effect to the above said resolution.

BY ORDERS OF THE BOARD

For, MAHAMAYA STEEL INDUSTRIES LIMITED

Sd/

RAMANAND AGRAWAL

CHAIRMAN AND MANAGING DIRECTOR

Place: Raipur

Date: 28th August , 2010



## 22nd Annual Report 2009-10

### NOTES:

1. On 5th Jan, 2010, the company has issued and allotted 10,000,000 (One Crore) 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Rs. 10/- each with the terms and condition that the dividend on 8% Redeemable Non-Convertible Non-Cumulative Preference Shares, if declared, shall be paid pro-rate from the date of allotment till the end of the financial year for the first year and thereafter at the coupon rate of 8% in subsequent years. The 8% Redeemable Non-Convertible Non-Cumulative Preference Shares shall be redeemed in trenches. However the Company shall have option to redeem the 8% Redeemable Non-Convertible Non-Cumulative Preference Shares at any time at its discretion.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 10.30 AM on 25th September, 2010.
3. 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.
4. Members are requested to bring their admission slips along with copy of the annual report to the Annual General Meeting.
5. Members who wish to obtain information on the Company or view the accounts for the financial year ended 31st March, 2010 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.
6. All the documents referred to in accompanying notice are available for inspection at the Registered Office of the Company on all working days between 11.00 AM to 1.00 PM up to the date of Annual General Meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2010 to 28th September, 2010 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend. If the dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on or after 28th September, 2010.
8. Members are requested to intimate to the Company the changes in the address, if any, immediately to the Company's Registrar M/s System Support Services, 209, Shivai Ind. Estate, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400072.
9. Members may avail nomination facility as provided under Section 109A of the Companies Act, 1956.
10. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / reappointment of the retiring Directors, a statement containing the details of the concerned Directors are given below as Annexure to the Notice.



**Annexure to the Notice****1. Explanatory statement in pursuant to the provisions of section 173 of the Companies Act, 1956 in respect to the Special Business :****ITEM NO: 6**

To broad base the Board of Directors and to comply with the requirements of Section 260 of the Companies Act, 1956. Mr. Manish Kumar Agrawal, was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the company w. e. f. 30.01.2010 to hold office till the date of the ensuing Annual General Meeting. Mr. Manish Kumar Agrawal has got experience of more than 10 years in the field of Management, Accounts, Finance and Administration and with his appointment the Company will benefit in many ways.

The Company has received a notice in writing from Mrs. Asha Devi Agrawal, a member of the Company along with a deposit of Rs. 500/- proposing the candidature of Mr. Manish Kumar Agrawal for the office of the Director of the Company under the provision of section 257 of the Act.

Mr. Manish Kumar Agrawal is not disqualified from being appointed as a director in terms of section 274(1)(g) of the Act.

The Board recommends for the appointment of Mr. Manish Kumar Agrawal and proposes to pass the resolution as set out in item No. 6 of the Notice as an Ordinary Resolution.

Except Mr. Manish Kumar Agrawal none of the directors of the company are interested in the concerned resolution.

**ITEM NO: 7**

To broad base the Board of Directors and to comply with the requirements of Clause 49 of the Listing Agreement Mr. Atul Garg, was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the company w. e. f. 30.01.2010 to hold office till the date of the ensuing Annual General Meeting. Mr. Atul Garg has got experience of about 2 years in the field of Business Administration and with his appointment the Company will benefit in many ways.

The Company has received a notice in writing from Mr. Anand Agrawal, a member of the Company along with a deposit of Rs. 500/- proposing the candidature of Mr. Atul Garg for the office of the Director of the Company under the provision of section 257 of the Act.

Mr. Atul Garg is not disqualified from being appointed as a director in terms of section 274(1)(g) of the Act.

The Board recommends for the appointment of Mr. Atul Garg and proposes to pass the resolution as set out in item No. 7 of the Notice as an Ordinary Resolution.

Except Mr. Atul Garg none of the directors of the company are interested in the concerned resolution.



## 22nd Annual Report 2009-10

### ITEM NO: 8

Mr. Rajesh Agrawal is a B. Com graduate with over 17 years of experience and was appointed as the Executive Director of the Company with effect from 15th May 2004

During his tenure as the Executive Director, the Company has made considerable progress in all the spheres and is optimistic on future progress.

Keeping in view with his performance, it is proposed to appoint him as a Managing Director for a period of 5 years with effect from 1st October, 2010.

Apart from Mahamaya Steel Industries Limited, he is also director in Abhishek Steel Industries Limited, Shree Shyam Sponge & Power Limited, Mark Vision Multi Services Private Limited, Antriksh Commerce Private Limited.

The Remuneration Committee of the Board of Directors of the Company recommended the remuneration proposed to Mr. Rajesh Agrawal.

Your Directors commend the Resolution at item No. 8 as a Special Resolution for its approval by the members of the Company.

None of the Directors of the Company except Mr. Rajesh Agrawal, Mr. Ramanand Agrawal and Mrs. Gulab Bai Agrawal, being a relative are interested in the said resolution.

### ITEM NO: 9,10 & 11

The Authorized Share capital of the Company presently stands at Rs. 50 crores divided in to 15,000,000 equity shares, 3,000,000 preference shares and 32,000,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 10 each. With the growing expansion of the Company's business it is desirable to bring the authorized capital of the Company in proper correlation with the magnitude of the Company's resources and size of its undertaking. It is therefore, considered advisable to increase the authorized capital of the Company from Rs. 50 crores to Rs. 60 crores by creation of 1 crore 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10/- Each, which will rank pari passu in all respects with the 8% Redeemable Non Convertible Non Cumulative Preference Shares in the Company. The proposed increase of the authorized capital of the Company requires the approval of the members in Annual General Meeting. Consequent upon the increase in authorized capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the increase in share capital. None of the director is interested or concerned in this resolution.

### ITEM NO: 12

At present the Equity Shares of the company are listed at Jaipur, Calcutta, Madhya Pradesh, Hyderabad and Bombay Stock Exchange Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Jaipur, Calcutta, Madhya Pradesh, Hyderabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange.

None of the directors is, in any way, concerned or interested in the said resolution.



## 2. Details of the directors seeking appointment in forthcoming Annual General Meeting

Name of Director	Mrs. Gulab Bai Agrawal	Mr. Gitesh Agrawal
Age	73	23
Date of Appointment	01.08.2001	17.10.2007
Expertise in specific functional area	She has 38 years of rich experience in commercial activities.	Having 4 years experience in the field of management and finance.
List of Companies in which Directorship held as on 31st March, 2010. (Other than Mahamaya Steel Industries Ltd .)	Mark Vision Multi Services Private Limited	Nil
Chairman/Member of Committees of the Boards of Other companies on which he/she is a Director as on 31st March, 2010.	Nil	Nil

BY ORDERS OF THE BOARD  
For, MAHAMAYA STEEL INDUSTRIES LIMITED  
Sd/

RAMANAND AGRAWAL  
CHAIRMAN CUM MANAGING DIRECTOR

Place: Raipur

Date: 28th August , 2010



## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are delighted to present their Twenty Second Annual Report on the business and operations of your Company along with the Audited Balance Sheet and Profit and Loss Account for the year ended on 31st March, 2010.

### 1. FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Particulars	2009-10	2008-09
Sales	42550.05	41752.87
Profit Before Tax	1336.16	1329.26
Taxes and Deferred Tax Adjustment	250.17	595.13
Profit After tax	1085.99	734.13
Appropriations:		
Proposed dividend	263.85	67.85
Tax on dividend	44.84	11.53
Amount transferred to General Reserve	217.20	146.83
Amount transferred to Redemption Reserve	365.79	301.23
Add: Brought forward profit (losses)	2120.43	1913.74
Add: Provision of Dividend written back	0	0
Profit (Loss) carried over to balance sheet	2314.74	2120.43

### 2. PERFORMANCE

During the year under review the Steel Industry of India emerged as the 5th Largest Producer of the steel in the World. However, the industry faced higher volatility in price and there was a sharp reduction in sale prices across the entire Steel Industry. Your company started its second steel structural mill in last year. As a result of increase in the installed capacity your company could get more clients. The production of steel structural including conversion production increase from the level of 1.30 lac MT to 1.79 lacs MT. The production of Blooms and Billets increased from 58201 MT to 104067 MT effective capacity utilization has also increased. The aggregate sales volume of steel structural was increased from the level of 92165 MT last year to 132206 MT in the current year. The conversion sales increase from 30688 MT to 40754 MT. However, the impact of increase in production and sales in quantity terms is not reflected in absolute terms because of reduction in sale price. The gross turnover of the Company stood at Rs.425.50 crores as against Rs.417.52 crores in last financial year.

### 3. PROFIT:

Profit after tax stood at Rs. 1085.91 lacs as compared to Rs. 734.13 lacs after providing for depreciation



Rs. 866.16 lacs as compared to Rs.328.25 lacs and tax Rs. 242.86 lacs as compared to Rs. 139.76 lacs. The EBIDTA has increased from Rs. 2229.42 lacs to Rs. 2801.08 lacs registering a growth of 25.64 % and Profit before tax has increased from Rs.1329.26 Lacs to Rs. 1336.16 Lacs thereby maintaining the last year's level.

In view of the above, as a whole your Company has performed very well on all fronts. Your Directors are very much confident that the progress would continue in coming years as well.

#### **4. ISSUANCE OF PREFERENCE SHARES**

During the year under review, your Company allotted 1,00,00,000 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Rs. 10/- each on the basis of approvals given by Shareholders in the last AGM.

#### **5. REDEMPTION OF PREFERENCE SHARES**

During the year, your Company has redeemed 1,000,000 Preference Shares and consequently related share capital has been reduced..

#### **6. DIVIDEND**

Your Directors recommend a dividend of Re. 0.50 per share on 1,35,70,400 Equity shares of the face value of Rs. 10/- each, aggregating Rs.67.85 Lacs for the year ended 31st March,2010.

The Register of Members and the share transfer books will remain closed from 20th September, 2010 to 28th September, 2010 both days inclusive. The Annual General Meeting of the Company is scheduled to be held on 28th September, 2010.

As on 1st April 2010, 2.20 Crore shares were outstanding. Further 8% Redeemable Non-Convertible Non Cumulative Preference Shares were allotted on 5th Jan, 2010, As per issue terms the dividend on Preference Shares, is declared on pro-rata basis from the date of allotment till the end of the first financial year So the directors recommended 8% dividend on prorata basis aggregating Rs.196.00 Lacs.

#### **7. TRANSFER TO RESERVE**

The Company has transferred Rs. 217.20 lacs to the General Reserve and Rs. 365.79 lacs to Capital Redemption Reserve for the redemption of preference shares out of the amount available for appropriation and an amount of Rs. 2314.74 Lacs is retained in the Profit and Loss Account.

#### **8. 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.



**9. CREDIT RATING**

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

**10. PUBLIC DEPOSIT**

Your Company did not accept public deposits during the year under review.

**11. SUBSIDIARY**

Your Company has no subsidiary.

**12. CORPORATE SOCIAL RESPONSIBILITY**

In line with its commitment of contributing towards Corporate Social responsibility initiatives on a yearly basis your Company has 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. This is expected to enhance the beauty of earth and to reduce the pollution.

**13. MANAGEMENT DISCUSSION & ANALYSIS**

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

**14. STOCK EXCHANGE**

The Equity shares of the Company are listed on Bombay Stock Exchange. The annual listing fees for the year 2010-11 has been paid only to Bombay Stock Exchange as the Company is in process of complying with de-listing formalities with other Stock Exchanges. (Madhya Pradesh, Jaipur, Kolkata & Hyderabad Stock Exchange). We are glad to inform you all that your Company got the listing permission for additional 90,54,600 shares. Your Company is in the process of submitting documents for getting trading permission for 13570400 Shares, and simultaneously applying for the ISIN Number from NSDL and CDSL.

**15. 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 usage of energy. The required details are given in Form 'A' annexed herewith.

**● ABSORPTION OF TECHNOLOGY**

The technology in vogue is fully indigenous and the Company is able to fully use the technologies available. The Company is always on lookout to develop technologies to ensure still better quality and further improvement and efficiency. No specific expenditure was incurred on Research & Development activities and therefore disclosure is not considered necessary.

**● FOREIGN EXCHANGE EARNING AND OUTGO**

**Foreign Exchange Earning:** During the year under review material was also sold in Nepal, but the sale was under rupee trade hence separate disclosure is not required.

**Foreign Exchange Outgo:** For Import of Consumable Stores - \$ 44240.

**16. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

The Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;

The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended March 31, 2010;

The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The Directors have prepared the annual accounts for the year ended March 31, 2010 on a going concern basis.

**17. CORPORATE GOVERNANCE**

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchanges relating to corporate governance.

A separate section on Corporate Governance together with a certificate from your Company's Statutory Auditors forms a part of this Annual Report.



## **18. 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.

## **19. DIRECTORS**

Mr. Manish Kumar Agrawal was appointed as an Additional Director with effect from 30th January, 2010 to hold office till the conclusion of the ensuing Annual General Meeting. Notice pursuant to Section 257 of the Act has been received from a Member proposing Mr. Manish Kumar Agrawal for appointment as Director of your Company.

Mr. Atul Garg was appointed as an Additional Director with effect from 30th January, 2010 to hold office till the conclusion of the ensuing Annual General Meeting. Notice pursuant to Section 257 of the Act has been received from a Member proposing Mr. Atul Garg for appointment as Director of your Company.

Mr. Gitesh Agrawal, Mrs. Gulab bai Agrawal retire from office by rotation and being eligible, offer themselves for reappointment.

The Board recommends the above appointments. Resolutions seeking your approval on these items are included in the Notice convening the Annual General Meeting together with a brief resume of the Directors being appointed / reappointed.

## **20. 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

## **21. 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.

## **22. APPRECIATION**

Your directors wish to take this opportunity to express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your company.

BY ORDERS OF THE BOARD  
For, MAHAMAYA STEEL INDUSTRIES LIMITED

Sd/-

RAMANAND AGRAWAL  
CHAIRMAN

Place: Raipur

Date: 10th August, 2010

**ANNEXURE: FORM 'A'**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2009-2010	2008-2009
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>ELECTRICITY PURCHASED</b>		
Unit (KWH) ROLLING MILL	12,044,000	7,663,300
SMS PLANT	90,887,640	49,952,520
Total Amount	325,488,200	198,500,363
Rate per Unit	3.16	3.45
<b>FURNACE OIL</b>		
Quantity (Kilo Litres)	8004	5639.86
Total Cost	189046130	138281006
Average Rate (Per Litre)	23.61	24.52
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Rolling Mill Division</b>		
Production (MT)	162228.020	123653.200
Electricity (Unit)	74.24	61.97
Furnace Oil (Ltrs)	49.45	45.61
<b>SMS Division</b>		
Production (MT)	104067.485	58201.720
Electricity (Unit)	989.09	858.26

Note: Production does not include conversion production by outside parties of 16242.880 MT (Previous Year 7087.190 MT)

BY ORDERS OF THE BOARD  
For, MAHAMAYA STEEL INDUSTRIES LIMITED

Sd/-

RAMANAND AGRAWAL  
CHAIRMAN

Place: RAIPUR  
Date : 10th August, 2010



**ANNEXURE 'A'****MANAGEMENT DISCUSSION & ANALYSIS REPORT:****Global Economy:**

The year 2009 witnessed the turbulence pain and panic from the unprecedented Economic and Financial Crisis adversely impacting the Global Economic growth. As per the IMF's April-10 estimates, Global Economic growth in 2009 is estimated to contract by approx. 0.6%. China as well as India, cushioned the intensity of Global meltdown during 2009 as demonstrated hereunder

Global Economy as per the IMF estimates of April 10 contracted by approx. US\$3.3 trillion while Chinese and Indian Economy expanded by 8.7% & 7.2% respectively.

Real Global Trade decelerated by 10.7% with Merchandize Exports down in value-terms by approx. 23% to \$ 12,147 Billion and Services by 13% to \$3,312 Billion while China graduated from the 2nd rank to the highest global merchandize exporter at US\$ 1,201 Billion in 2009.

Global automobile production contracted by approx. 15% to 60 Million units while China qualified as the World's largest Producer at 13.6 Million units with highest ever domestic sale of Passenger cars of 10.3 Million units up by 52.9%. Similarly, Indian Passenger Vehicle Production and domestic sales, rose by 28% & 26% respectively in FY 2009-10.

The timely, cumulative stimulated economic efforts of all Governments significantly curtailed the depth, span and intensity of the economic catastrophic spread-although the possibility of few noted and sovereign defaults continue to haunt the world in the near term.

The IMF estimates suggest a positive economic rebound in 2010 with the Global economy registering a 4.2% growth. Advanced economies and th emerging world growing by 2.3% & 6.3% respectively. Further the WTO projects world trade to expand by 9.5% with the Advanced world growing by 7.5% and the Emerging world by 11%.

**Indian Economy:**

India registered a strong come back in 2009-10 displaying its ability to withstand extreme external adversities, which destabilized major economics. India recorded GDP growth of 7.2% in 2009-10 against 6.7% in 2008-09. This was largely due to the timely economic stimulus fueling investment and consumption. The key diverse ti India's economic growth during the year 2009-10 were:

Strong IIP Growth	10.4%
Core Infrastructure Industry Growth	5.5%
Automoblile Production	26%

Capitalizing on the high degree of domestic dependency, low credit leverage and debt exposure and the Government's thrust on Infrastructure creation are expected to accelerate the Indian economy in 2010-11 and beyond. Preliminary guidance by the Central Government for the economic growth in 2010-11 is

## 22nd Annual Report 2009-10

estimated at 8.2% & 9% in 2011-12

Particulars	2008-09 (QE)	2009-10 (AE)	2010-11 (F)	2011-12(F)
Agriculture, forestry and fishing	1.6	-0.2	5.0	4.0
Mining & quarrying	1.6	8.7	7.5	8.0
Manufacturing	3.2	8.9	8.9	9.2
Electricity, Gas & Water	3.9	8.2	8.0	9.0
Construction	5.9	6.5	9.0	10.0
Trade, Hotel transport	7.6	8.3	9.0	11.0
Finance, Insurance, Real Estate	10.1	9.9	10.0	1.0
Community & Personal Services	13.9	8.2	7.0	7.0
GDP at factor cost	6.7	7.2	8.2	9.0
Industry	3.9	8.6	8.7	9.2
Services	9.8	8.7	8.8	10.1
BNon- Agriculture	5.2	5.7	6.7	7.5
GDP Market & Current	1,222	1,312	1,557	1,886

(Source PM EAC / CSO)

### Global Steel Industry

Steel being at the core of economic progress witnessed and unprecedented down turn in 2009. Advanced economics bucketed under pressure of large inventories coupled with stand steel demand, the rest of the world (excluding China & India ) suffocated under low domestic demand, their high degree of export dependency on the advanced world added to their woes. This reconfirmed the concept of increasing global integration and global trade coupling (except China & India)

The Global economic and financial crisis impacted steel consumption consumption declined 6.7% form 1202 mn tones in 2008 to 1,121 mn tones in 2009. Of the consumption, 50% was flats (largely consumption lead demand) and 50% was long products (largely infrastructure driven demand). World consumption of finished steel excluding BRIC Country' s registered a decline of 26.8% in 2009. Steel consumption of BRIC Countries grew 18% largely dur to the massive consumption of steel from China to satiate stimulated



domestic demand. Production & Consumption Production & Consumption

Year	2005	2006	2007	2008	2009
Crude steel production (mnt)	1,144 (+6.8%)	1,247 (+9.0%)	1,346 (+7.9%)	1,329 (-1.3%)	1,223 (-8.0%)
Finished Steel Consumption (mnt)	1,040 (+6.4%)	1,134 (+9.1%)	1,214 (+7.0%)	1,202 (-1.0%)	1,121 (-6.7%)

**Indian Steel Industry:**

The steel industry in India has been moving from strength to strength. India has emerged as the fifth largest producer of steel in the world and is likely to become the second largest producer of crude steel by 2015-16.

Recently, Steel Minister, Mr Virbhadra Singh said that India will become the world's second-largest steel producer by 2012, more than doubling its capacity to 124 million tonnes (MT) as part of the push being given to assist overall infrastructure development.

The National Steel Policy 2005 had projected an annual steel consumption growth of 7 per cent based on GDP growth rate of 7-7.5 per cent and production of 110 MT of crude steel by 2019-2020. Nonetheless, with the current rate of ongoing greenfield and brownfield projects, the Ministry of Steel has projected that these growth trends are likely to be exceeded and it is envisaged that in the next five years demand will grow at higher annual average growth rate of over 10 per cent as compared to around 7 per cent growth achieved between 1991-92 and 2005-06.

Moreover, the crude steel production capacity in the country by 2011-12 will be nearly 124 MT, 222 memorandum of understanding (MoUs) have been signed with various states for planned capacity of around 276 MT. Major investment plans are in Orissa, Jharkhand, Chhattisgarh, West Bengal, Karnataka, Gujarat and Maharashtra, domestic crude steel production grew at a compounded annual growth rate of 8.6 per cent during 2004-05 and 2008-09. India's steel consumption rose 8 per cent in the year ended March 2010, over the same period a year ago on account of improved demand from sectors like automobile, infrastructure and housing. The country's steel consumption increased to 56.3 MT in the 12 months to March 2010 from 52.3 MT in the previous year.

**Company's Operation:**

Last year your company had successfully completed the first phase of expansion by adding 150000 MT PA and the total capacity of heavy structure mill. Due to which this year your Company has introduced new product lines like Angles, H Beam etc. and we are now going for second phase of expansion for which the MoU had already signed with the Government of Chhattisgarh for setting up a 50 MW Power Plant. The Company has already acquired land admeasuring 100 acre. The process of obtaining clearance has started. The operations of the Company would be more cost effective once the power is available from own power plant.

A new Concaster machine is also going to be implemented with a installed capacity of 100000 MT PA, and is expected to complete by March 2011. With our existing set up your Company is producing blooms and

billets of 160mm to 320mm but with the help of the new concaster machine it will be able to produce small sizes blooms and billets of size 100mm to 250 mm,

Apart from existing customers like Steel Authority of India Limited, Bharat Heavy Electricals Ltd., Essar Construction (India) Ltd., Hazira Plates Ltd., Stewards and Llyods Ltd., Mundra Port and SEZ Ltd., Adani Power Ltd. etc the Company could add new customers like Baid Steel Pvt. Ltd., Brahmani Industries Limited, Sunil Hitech engineers Ltd., Tulsian Steel Industries Ltd. etc. Association with these new customers along with our existing customers will enable the Company to generate more business and revenue.

### **Business Operations:**

The Company has achieved the production of 1.79 lacs tonne of steel structural and 1.04 lac tones of Billets. The production of Steel Structural increased by 36.60% as compared to last year This is due to new expansion lines, team work, better utilization of resources and effective cost control which has also resulted in to 25.64% growth in EBIDTA.

### **Opportunities and threats:**

The Indian steel Industry witnessed an upward trend during the previous year. It has huge scopes in the future with massive scale of infrastructural development happening all across the country. This upward trend is expected to be continued on account of favourable conditions like competitive prices, increase in consumption of steel owing to upcoming infrastructure and Greenfield projects, highly skilled and low cost workforce etc. The major threats for the industry is higher cost of inputs and lower realizations which may put pressure on the profitability and operating margins of the international as well as domestic steel companies. In addition to this, major obstacles are current economic turmoil, technological change, inadequate availability of suitable quality of raw material, increasing prices of raw materials, high cost of energy / capital etc.

### **Outlook:**

The outlook for the industry looks reasonable, since India has good iron ore deposits, skilled manpower and growing demand for steel. The Indian steel industry has made a rapid progress on strong fundamentals over the recent few years. The industry is getting all essential ingredients required for dynamic growth. The government is backing the industry through favorable industrial reforms, while the private sector is supporting it with investments worth billions of Rupees. Even in the tough times of economic slowdown, the industry succeeded to sustain its positive growth momentum on the strong fundamentals of domestic demand from construction, automobile and infrastructure sectors With an impressive track record, the country has become a reputed name in the world steel industry. Global steel giants from all over the world have shown interest in the industry because of its phenomenal performance. The Company continues to compete and participate in the tenders of various Public and Private Sector giants and is hopeful of bagging considerable fresh orders for engineering products.



**Risk and concerns:**

The domestic steel industry carrying inherent risk in respect of imbalance in supply / demand apart from price sensitivity and demand volatility. Slowdown in implementation of the Greenfield Steel projects by major steel producers due to non-availability of sufficient iron ore, coal and land, may increase the prevailing supply demand gap in coming years. Besides the above, the global market turmoil, which dented the growth curve of user industry, may affect the progress of the steel industry. The company has been taking continuous modernization programme to maintain efficient operation of its Steel and Engineering activities.

**Human Resources:**

Your Company continuously strives to foster a culture of high performance. Your Management has infused a lot of rigor and intensity in its people development processes and in honing skills sets. Its HR processes are absolutely aligned to organizational goals. There is strong focus on teamwork and team building and during the year, many events were conducted to achieve this objective. Employee relations continue to be cordial.

**Internal Control Systems and Adequacy:**

The Company has sound internal control system, which ensures that all the assets are protected against loss from unauthorized use and all the transactions are recorded and reported correctly.

The internal control system is supplemented by an extensive programme of internal audits and reviews by Management. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Further, reliance of all internal control functions and its entire gamut of activities are covered by independent audit, conducted by separate internal auditors, whose findings are reviewed regularly by the Audit Committee and Management of the Company.

**Cautionary Statement :**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc., whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government Regulations and taxation, natural calamities etc., over which the company does not have any control.

**ANNEXURE 'B'**

**CORPORATE GOVERNANCE**

A Brief statement on the Company's philosophy on Code of Governance

Corporate Governance is about directing and controlling the company with the overriding objects of optimizing return for the shareholders. A good governance process aims to achieve this by providing long term visibility of its business, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of corporate evolution process.

The Company believes that any meaningful policy on corporate governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks & balances which ensure that the decision making powers vested in the executive management is used with care and responsibility to meet stakeholders aspirations and societal expectations.

In nutshell our policies consistently undergo improvements keeping in my mind our goal that is maximization of values of all the stakeholders.

- The goal is achieved through
- Infusion of best expertise in the Board
- Consistent monitoring and improvement of the human and physical resources
- Introducing regular checks and audits and continuous improvements in well-defined systems and procedures.
- Board / Committee meetings at regular intervals to keep the Board informed of the recent happenings.

**Board of Directors**

Company's management team is effectively structured to achieve long term strategic objectives. The Company's directors have expertise in the field of business planning, strategy, human resources management and finance. The designation of Board includes Chairman cum Managing Director, Executive Directors, Non Executive Directors.

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Chairman of the Board is an Executive Director and more than half of the Board comprises Independent directors.. The Management of the Committee is headed by Chairman cum Managing director who operates under the 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.

The Non Executive Independent directors have the requisite qualifications and experience in general corporate management, finance, administration, banking, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as directors while participating in this decision making process.



The Senior Management have made disclosures to the Board confirming that there are no material, financial and / or commercial transaction between them and the Company which could have potential conflict of interest with the Company at large.

### Composition of the Board

The Board comprises eight 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, 2010

Directors	Category	Committee Membership S in Board Of other Companies	Committee Chairmanship in Board of other Companies	Directorships in other Companies
Mr. Ramanand Agrawal	Executive Director	2	Nil	6
Mrs. Gulab Devi Agrawal	Executive Director	Nil	Nil	1
Mr. Rajesh Agrawal	Executive Director	1	Nil	5
Mr. D.K. Porwal	Non Executive Director	Nil	Nil	Nil
Mr. Niraj Kansal	Non Executive Director	Nil	Nil	Nil
Mr. Gitesh Agrawal	Non Executive Director	Nil	Nil	Nil
Mr. Manish Kumar Agrawal	NonExecutive Director	Nil	Nil	Nil
Mr. Atul Garg	Non Executive Director	Nil	Nil	Nil

### Board Meetings and Attendance

During the financial Year 2009-10, The Board met 12 times on 30th April 2009, 25th May 2009, 13th June 2009, 30th June 2009, 31st July 2009, 10th August 2009, 18th August 2009, 1st September 2009, 31st October 2009, 3rd January 2010, 11th January 2010, 30th January 2010. 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 Second Annual General Meeting (AGM) of the Company was held on 29th September, 2009. 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

## 22nd Annual Report 2009-10

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	11	Yes
Mr. Rajesh Agrawal	12	12	Yes
Mr. D.K. Porwal	12	12	Yes
Mr. Niraj Kansal	12	9	Yes
Mr. Gitesh Agrawal	12	11	Yes
Mr. Suryakant Sharma*	12	10	Yes
Mr. Anil Kumar Sharma*	12	10	Yes
Mr. Manish Kumar Agrawal**	12	Nil	No
Mr. Atul Garg**	12	Nil	No

\* Resigned on 30.01.2010,

\*\* Appointed on 30.01.2010.

### Committees of Board of Directors

The Board has constituted various Committees to discuss, deal with the matters in detail and to monitor the activities falling within the terms of reference and discharge the roles and responsibilities as prescribed under Listing Agreement.

#### a) Audit Committee

##### Composition, meetings, attendance during the year.

The Audit Committee of the Board comprises three Directors, all of them are Non- Executive Independent. All the members of the Audit Committee are financially literate as per the provisions of Clause 49 of the Listing Agreement. The Composition of the Audit Committee meets the requirement of section 292A of the Act and Caluse 49 of the Listing Agreement.

During the year, the Audit Committee meet five times to deliberate on various matters. The meetings were held on 27th April 2009, 27th June 2009, 27th July 2009, 27th October 2009, 27th January 2010.

The composition and attendance are as follows:

Name of the Member	No. of Held	Meetings Attended
Shri Neeraj Kansal	5	5
Shri D.K. Porwal	5	4
Shri Suryakant Sharma	5	5



**Note:** Shri Suryakant Sharma has resigned from the membership of the above committee and from the Board also and in place of whom Mr. Manish Kumar Agrawal has been appointed as a member of above committee.

Mr. Neeraj Kansal is the Chairman of the Committee

Mr. D.K. Porwal and Mr. Suryakant Sharma are the members of the Committee.

Mr. Anand Agrawal, Internal Auditor of your Company is the permanent invitee of the Audit Committee meetings.

The Company Secretary acts as the Secretary to the Committee.

The object of the Audit Committee is to monitor and effectively supervise your Company's financial reporting process with a view to provide accurate, timely and proper disclosure and the integrity and quality of the financial reporting.

### **Powers of Audit Committee**

The Audit Committee has been vested with the following powers: -

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Role of Audit Committee**

**The role of the Audit Committee includes the following:-**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.

## 22nd Annual Report 2009-10

- (f) Disclosure of related party transactions.
- (g) Qualification in the draft audit report.
- 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 6. Reviewing, with the management, the performance of Statutory and Internal Auditors and adequacy of the internal control systems.
- 7. Reviewing the adequacy or internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- 8. Discussion with internal auditors about any significant findings and follow up thereon.
- 9. Reviewing the findings of any internal investigations by the internal Auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11. To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 12. Such other functions as may be decided by the Board of Directors from time to time.

### **Review of information by Audit Committee**

The Audit Committee reviews inter alia, following matters:

- a. Management Discussion and Analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

During the year, the Committee has reviewed the internal controls put in place to ensure that the accounts of your company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company.

The Committee has also reviewed the procedures laid down by your Company for assessing and managing risks.



**B) Remuneration Committee:**

**Composition, Meetings, attendance during the year**

The role of the remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Chairman cum managing Director and other Executive Directors of the Company. During the course of its review, the Committee also decides on the commission of the directors and / or other incentives payable, taking in to account the individual's performance as well as the performance of the Company. The broad terms of the reference of the Committee are, to recommend to the Board about the Company's policy on remuneration package for Executive Directors, to advise the Board in framing the remuneration policy for key managerial personnel of the Company from time to time.

During the year, the Remuneration Committee meet two times to deliberate on various matters. The meetings were held on 24th June 2009, 22nd January 2010.

The composition and attendance are as follows:

Name of the Member	No. Of Held	Meetings Attended
Mr. Suryakant Sharma	2	2
Mr. Anil Kumar Sharma	2	2
Mr. Gitesh Agrawal	2	2

Mr. Suryakant Sharma is the Chairman of the Committee

Mr. Anil Kumar Sharma and Mr. Gitesh Agrawal are the members of the Committee.

**Remuneration to Directors:**

**(a) Details of Remuneration for the Year 2009-10.**

(Rs. In Lacs)

Director	Salary for the year	Perquisites (Computed under IT Act)
Mr. Ramanand Agrawal	60.00	Nil
Mr. Rajesh Agrawal	54.00	Nil
Mrs. Gulab Bai Agrawal	36.00	Nil
Mr. D.K. Porwal	6.00	Nil

**(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.

## 22nd Annual Report 2009-10

### No. of Shares held by Directors:

The shareholding of the Directors as on 31st March 2010 is as under:

Directors	No. of shares	% of the paid-up Capital
Ramanand Agrawal	2,139,788	15.77
Gulab Bai Agarwal	1,082,082	7.97
Rajesh Agrawal	899,510	6.63
D. K. Porwal	Nil	-----
Neeraj Kansa	Nil	-----
Gitesh Agrawal	Nil	-----
Manish Kumar Agrawal	Nil	-----
Atul Garg	Nil	-----

### c) 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 11th August 2009, 7th January 2010.

#### The composition and attendance are as follows:

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

Mr. Neeraj Kansal is the Chairman of the Committee

Mr. Rajesh Agrawal and Mr. Gitesh Agrawal are the members of the Committee.

Number of shareholder complaints received, number solved to the satisfaction of the shareholder and number of pending transfers:

Investor grievances received and attended during the year 2009-10 and pending as on 31.03.2010.

Complaints as on 1st April 2009	Nil
Received during the Year	9
Resolved during the Year	9
Pending as on 31st March, 2010	Nil



The Company generally attends to all queries of investors within a period of fortnight from the date of receipt.

The Compliance Officer for the said Committee is Mr. Prahallad Sawadia, Company Secretary.

### Means of Communication

#### Print

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

#### Internet

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

The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors Report and forms part of this Annual Report being sent to all the members of the company.

### Particulars of the past three Annual General Meetings

#### a) Location, date and time of Annual General Meetings held during the last 3 years:

Year	Location	Date	Time
2006 - 2007	At the registered Office of the Company located at Plot B/8-9, Sector C, Urla Industrial Area, Sarora, Raipur 493 221 (C.G.)	28th Sep. 2007	11.00 a.m.
2007 - 2008	At the registered Office of the Company located at Plot B/8-9, Sector C, Urla Industrial Area, Sarora, Raipur 493 221 (C.G.)	11th Aug. 2008	11.00 a.m.
2008 - 2009	At the registered Office of the Company located at Plot B/8-9, Sector C, Urla Industrial Area, Sarora, Raipur 493 221 (C.G.)	29th Sep. 2009	11.00 a.m.

#### b) No Extra-Ordinary General Meeting of the Shareholders were held during the year.

c) No Postal Ballot was conducted during the financial year 2009-10. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

## 22nd Annual Report 2009-10

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

Year	Special Resolutions Passed
2006-07	Nil
2007-08	1) Special resolution passed u/s 372 A of the Companies Act, 1956 for investment Of surplus funds of the Company in Shares, debentures and like instruments.
2008-09	1) Special Resolution passed u/s 94 and other applicable provisions of the Companies Act 1956, regarding reclassification of authorized capital structure. 2) Special Resolution passed u/s 16 and other applicable provisions of the Companies Act 1956 regarding alteration of Clause V of Memorandum of Association of the Company. 3) Special Resolution passed u/s 31 and other applicable provisions of the Companies Act 1956 regarding alteration of article 4A of Article of Association of the Company. 4) Special Resolution passed u/s 80, 80A, 81 and other applicable provisions of the Companies Act 1956 regarding issue and offer up to 1,00,000,00 (one crore) 8% Redeemable Non Convertible, Non Cumulative Preference Shares of Rs. 10/- each. Aggregating Rs. 10,00,000,00 (Ten Crore) at a premium of Rs. 10/- per share. 5) Special Resolution passed u/s 80, 80A, and other applicable provisions of the Companies Act 1956 regarding earlier redemption of redeemable preference shares of Rs. 19723000 at a suitable discount rate as allowed by IDBI.- the preference Shareholder, which are due for redemption being Rs. 10000000 on 24th August 2010 and 9723000 on 24th August 2011.

### Disclosures

#### Related Party Transactions

There are no transactions, which may have potential conflict with the interests of the Company. Schedule 18 of the Annual Accounts contains the details of the related party transactions as required by the Accounting Standards 18 (AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

#### Non Compliance

There is no non-compliances

There was no instance of levy of any penalties during the last three years. However, due to some non-compliance in the earlier years, trading of listed securities has remained suspended. But on 17th June 2010 your Company got the listing permission from BSE The Company is in the process of complying with some requirement of BSE Ltd to get the suspension revoked. and we hope, very soon we will get the trading permission from BSE and trading in the shares of the Company will resume soon.

#### Board Disclosures Risk Management

Your Company has in place a Risk Management programme which is monitored on a continues basis. The Audit Committee reviews the efficacy of the Risk Management process, the key risks associated with the business of your Company and the measures in place to mitigate the same.



**Accounting Standards**

The Company follows Accountings Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of the financial statements and has not adopted a treatment different from that prescribed in any Accounting Standards.

Directors confirm that the Company has adequate resources to continue its business and therefore financial statements are prepared as on-going concern basis.

**Disclosure by Senior Management**

Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

**CEO Certification**

The Chairman cum 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 March 31, 2010 which is annexed hereto.

**Compliance**

Certificate from the Statutory Auditors 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.

**Secretarial Audit**

Pursuant to the Clause 47 ( C ) of the Listing Agreement with the stock exchange, certificates on quarterly basis have been issued by the a Company Secretary in practice for due compliances of share transfer formalities by the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

**General Shareholder's Information****Twenty Second Annual General Meeting**

Date:	28th September, 2010
Time:	11.00 A.M.
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.)

## 22nd Annual Report 2009-10

Financial Year:	1st April 2009 to 31st March, 2010
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 28th September, 2010.
Book Closure Date:	20th September, 2010 to 28th September, 2010 (both days inclusive).
Dividend Payment date:	On or after 28th September, 2010 (within the statutory time limit of 30 days) subject to shareholders' approval.

### Financial Calendar Period (tentative)

For the Quarter ending 30th June, 2010	14th August, 2010
For the Half year ending 30th September, 2010	End October, 2010
For the Quarter ending 31st December, 2010	End January, 2011
For the Year ending 31st March, 2011	End April / May 2011

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 Jaipur, Calcutta, Madhya Pradesh, Hyderabad Stock Exchanges. The Company is in the process of getting it shares delisted from the Stock Exchange, once the trading in shares of our Company commences on Bombay Stock Exchange Limited. Hence the relevant details of these stock exchanges has not been furnished

Listing Fees:

Listing fees for the year 2010-11 has been paid to the Bombay Stock Exchange.

Stock Code

Bombay Stock Exchange Ltd.

513554

Stock Market data relating to

Equity shares listed in India:

There was no trading in the shares of the Company during last year as BSE had suspended the trading and hence quotations are not available But on 17th



June 2010 your Company got the listing permission from BSE. The Company is in the process of complying with some requirement of BSE Ltd to get the suspension revoked. and we hope, very soon we will get the trading permission from BSE and trading in the shares of the Company will resume soon.

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  
Email : sysss72@yahoo.com

**Distribution of Shareholding:**

As on March 31, 2010

Category	No. of Shareholders	% of shareholders	No. of shares	% total equity
1-500	2330	81.726	514180	3.789
501-1000	304	10.663	276850	2.040
1001-2000	109	3.823	180200	1.328
2001-3000	31	1.087	81600	0.601
3001-4000	8	0.281	28700	0.211
4001-5000	28	0.982	136800	1.008
5001-10000	12	0.421	103300	0.761
10001-100000	13	0.456	420668	3.100
100001 & above	16	0.561	11828102	87.161
Total	2851	100.00	13570400	100.00

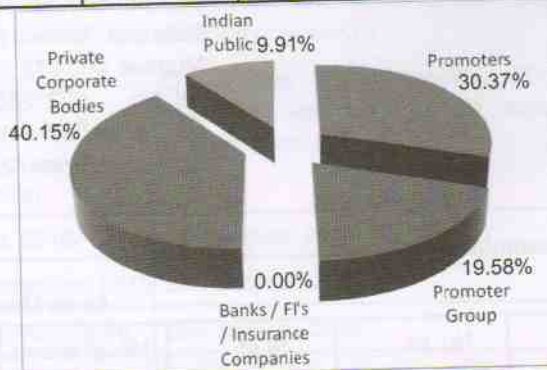
**Shareholding Pattern as on 31st March, 2010.**

Category	March 31, 2010		March 31, 2009	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Promoter in his individual capacity	4121380	30.37	4121380	30.37
Promoter Director's Relatives	2656443	19.58	2656443	19.58

## 22nd Annual Report 2009-10

Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non Government Institutions)	100	0.00	100	0.00
Private Corporate Bodies	5448047	40.15	5457347	40.21
Indian Public	1344430	9.91	1335130	9.84
Total	13570400	100.00	13570400	100.00

### Share Holding Pattern 2010



#### Dematerialization of Shares and Liquidity:

All Shares are in physical mode. The Company is in the process of entering in agreement with NSDL and CDSL to avail dematerialization facility. As soon as your Company will get the permission physical shares will be converted in to dematerialized form.

#### Outstanding Convertible Instruments:

As on March 31, 2010, Optionally Convertible Redeemable Preference Shares of Rs. 19723000/- are Outstanding as it was under a settlement scheme of being redeemed in three installment annually, second installment of Rs. 10000000 will be redeemed on 24th August, 2010 and remaining will be redeemed on 24th August, 2011. However, in the event of default of redemption, shares have conversion option.

#### Address for Correspondence:

Mahamaya Steel Industries Ltd.  
B 8&9, Sector C, Urla Industrial Complex  
Sarora, Raipur (Chhattisgarh)  
Telephone: 0771 4006666  
Fax: 0771-4006611  
Email: mahamaya@rajeshstrips.com

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

Name	Telephone No.	Email ID	Fax No.
Shri Prahallad Sawdia	0771-4006666	psawdia@yahoo.co.in	0771-4006611



**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 cum Managing Director 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, 2010.

Raipur: 10th August, 2010

Ramanand Agrawal  
Chairman

**CEO CERTIFICATION**

The Board of Directors  
Mahamaya Steel Industries Limited

I certify that:

1. I have reviewed the financial statement, read with the cash flow statement of Mahamaya Steel Industries Limited (the Company) for the year ended 31st March, 2010 and to best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (b) These statements and other financial information included in this report present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
4. I have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.

Raipur  
10th August, 2010

Ramanand Agrawal  
Chairman

**Auditors' Certificate on Corporate Governance**

To

The Members,

**Mahamaya Steel Industries Limited**

We have examined the compliances of conditions of Corporate Governance by Mahamaya Steel Industries Limited, for the year ended on March 31st, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our knowledge and according to the explanations given to us, and based on 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 Clause 49 of the Listing Agreement.

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

For, Batra Deepak and Associates

Deepak Batra  
Partner

Membership No: 74052

Place: Raipur

Date: 10th August, 2010.



## **Batra Deepak & Associates**

### **Chartered Accountants**

17/901, First Floor, Guru Gobind Nagar,  
Opp. Dr. Verma's Clinic, RAIPUR [Chhattisgarh] 492001  
Phone: 0771-2424657, 2423757, 4055537 Fax: 0771-2436091  
E-mail: deepakca@airtelmail.in, deepakca@hotmail.com

#### **AUDITORS' REPORT**

To,  
The Members of,  
MAHAMAYA STEEL INDUSTRIES LIMITED  
(Formerly Rajesh Strips Limited)

We have audited the attached Balance Sheet of MAHAMAYA STEEL INDUSTRIES LIMITED, (the Company) as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement (financial statements) of the Company for the year ended on that date annexed thereto signed by us under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with Auditing and Assurance Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Government of India, in terms of section 227(4A), of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanation given to us, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in paragraph 2 above, we report that:

We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

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.

The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, read together with Significant Accounting Policies and Notes on Accounts given in Schedule 'T' comply with the Accounting Standard referred to in Section 211 (3C) of the Companies Act 1956.

## 22nd Annual Report 2009-10

We draw attention that audit is not intended, designed nor performed to identify or detect problems that may result from the Computer software or hardware.

Based on written representations made by Directors of the Company, taken on record by the Board of Directors, and the information and explanations made available to us, we report that none of the director is prima facie disqualified as on March 31, 2010 from being appointed as a director in terms of sec. 274(1)(g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with Significant Accounting Policies and Notes on Accounts, given in Schedule-"T" give the information required by the Companies Act 1956, in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- (ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date; and
- (iii) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

[DEEPAK BATRA]  
PARTNER  
M.No.74052

PLACE : RAIPUR

DATE : August 10, 2010



**ANNEXURE TO AUDITORS' REPORT**

RE : MAHAMAYA STEEL INDUSTRIES LIMITED\

(Formerly known as Rajesh Strips Limited)

REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE:

1. In respect of its fixed assets: -
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management under a phased programme of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
  - 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. The Company has maintained proper records of inventories. During physical verification of inventories 1690.000 MT. of Blooms has been found in excess of the book records and the same has been considered in valuation of closing stock.
3. As informed to us, Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. However, in respect of unsecured loan taken from the companies covered in the register maintained under Section 301 of the Companies Act, 1956, we state that
  - a. The Company has taken loan of Rs. 1877.50 lacs during the year from one Company. The balance outstanding including opening balance of the Company as at 31 March 2010 was Rs. NIL.
  - b. 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.
  - c. 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 purchases of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control systems.

## 22nd Annual Report 2009-10

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
- 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.
  - 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 Rs. 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. We have broadly reviewed the books of accounts maintained by the company pursuant to rules made by the Central Government. For the maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of SMS Plant and are of the opinion that prima facie in prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- 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, 2010 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs. 56.62 Lacs, that have not been deposited on account of matters pending before appropriate authorities as under:-

Sl. No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates From	Forum where dispute is pending
01	Sales Tax statute of the State	Sales/Commercial Tax	38.27	1990-1991 to 1992-1993	Before High Court of Chhattisgarh State
02	Central Sales Tax statute of the Central Govt.	Central Sales Tax	10.06	2002-2003	Deputy Commissioner (Appeals), Raipur
03	Central Excise Act, 1944	Excise Duty	8.29	1999-2000 & 2005-2006	High Court, Bilaspur
Total			56.62		



10. The Company does not have accumulated losses at the end of the financial year. The Company 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 information and explanations given to us, the company has not defaulted in repayment of dues to any Financial Institution or Bank.
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, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. As informed to us, the Company has given guarantees for loan taken by a body corporate from banks or financial institutions. The terms and conditions of guarantees aforesaid are not prima facie prejudicial to the interest of the Company.
16. As informed to us, the Company has not raised any new term loans from bank during the year. The term loans earlier availed have been applied for the purposes for which there 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 any money from short-term sources towards repayment of long-term borrowings acquisition of fixed assets and long term investments.
18. During the year, the Company has made preferential allotment of preference shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanation 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. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For, BATRA DEEPAK & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No.005408C)  
[DEEPAK BATRA]  
PARTNER  
M.No.74052

PLACE : RAIPUR  
DATE : AUGUST 10, 2010

**MAHAMAYA STEEL INDUSTRIES LIMITED**  
**(FORMERLY, RAJESH STRIPS LIMITED)**  
**BALANCE SHEET AS ON 31ST MARCH 2010**

	SCHEDULE	AS AT 31.03.10 (RS. IN LACS)	AS AT 31.03.09 (RS. IN LACS)
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUND:</b>			
Share Capital	"A"	4754.27	3854.27
Reserves & Surplus	"B"	5414.89	3637.59
Share Application Money		1645.00	230.00
<b>LOAN FUNDS:</b>			
Secured Loans	"C"	5342.60	5579.57
Unsecured Loans	"D"	0.00	1765.00
DEFERRED TAX LIABILITY		465.18	458.05
	<b>TOTAL(Rs.)</b>	<b>17621.94</b>	<b>15524.48</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS:</b>			
Gross Block	"E"	11319.87	10647.47
Less : Depreciation		2916.89	2059.10
Net Block		<b>8402.97</b>	<b>8588.37</b>
Capital work in progress and Pre operative exp.		331.16	84.19
		<b>8734.13</b>	<b>8672.55</b>
<b>INVESTMENTS</b>			
	"F"	230.01	230.01
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
Inventories	"G"	5758.87	4355.75
Sundry Debtors	"H"	3938.41	2234.60
Cash & Bank Balances	"I"	354.46	424.03
Loans and Advances	"J"	1664.29	1504.62
		<b>11716.02</b>	<b>8518.99</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS:</b>			
Current Liabilities	"K"	3058.23	1897.08
<b>NET CURRENT ASSETS:</b>		<b>8657.80</b>	<b>6621.92</b>
	<b>TOTAL(Rs.)</b>	<b>17621.94</b>	<b>15524.48</b>

Significant Accounting Policies & Notes on Accounts Schedule "T"

FOR AND ON BEHALF OF THE BOARD

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR, BATRA DEEPAK & ASSOCIATES  
 CHARTERED ACCOUNTANTS

[RAMANAND AGRAWAL]  
 DIRECTOR

[RAJESH AGRAWAL]  
 DIRECTOR

[DEEPAK BATRA]  
 PARTNER  
 M. NO. 74052  
 FIRM REG. NO. 005408C

[PRAHALLAD SAWADIYA]  
 COMPANY SECRETARY

PLACE : RAIPUR  
 DATE : 10TH AUGUST 2010

PLACE : RAIPUR  
 DATE : 10TH AUGUST 2010



**MAHAMAYA STEEL INDUSTRIES LIMITED  
(FORMERLY, RAJESH STRIPS LIMITED)  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

		<b>FOR THE YEAR ENDED 31.03.2010 (RS. IN LACS)</b>	<b>FOR THE YEAR ENDED 31.03.2009 (RS. IN LACS)</b>
<b>INCOME:</b>			
Sales	"L"	42550.05	41752.87
Less: Excise Duty		3026.96	4386.44
Sales Tax & Value Added Tax		918.94	846.73
Net Sales		<b>38604.16</b>	<b>36519.70</b>
Other Business Income	"M"	105.81	88.87
Increase/(decrease) in stocks	"N"	(367.62)	740.96
		<b>38342.35</b>	<b>37349.53</b>
<b>EXPENDITURE:</b>			
Consumption of Raw Material	"O"	26341.06	29005.51
Trading Purchase (Pig Iron)		0.00	6.15
Manufacturing Expenses	"P"	8567.18	5548.87
Payments to and provisions for Employees	"Q"	270.28	257.37
Selling,Administrative and other Expenses	"R"	362.74	302.20
		<b>35541.26</b>	<b>35120.11</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>2801.09</b>	<b>2229.42</b>
Financial Cost	"S"	604.46	562.34
Depreciation	"E"	865.20	328.26
<b>Profit Before Tax and Prior Period Adjustment</b>		<b>1331.43</b>	<b>1338.82</b>
Prior Period Adjustment		4.73	-9.57
<b>Profit Before Tax</b>		<b>1336.16</b>	<b>1329.25</b>
<b>Provision for Tax:</b>			
Current Income Tax		228.04	137.00
Income Tax related to Previous Year		15.00	0.87
Fringe Benefits Tax		0.00	1.90
Deferred Tax Adjustment		7.13	455.36
<b>Profit After Tax</b>		<b>1085.99</b>	<b>734.13</b>
Add: Profit brought forward from previous year		2120.43	1913.74
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>3206.42</b>	<b>2647.87</b>
<b>Appropriations</b>			
Proposed Dividend on Equity Shares		67.85	67.85
Proposed Dividend on Preference Shares		196.00	0.00
Tax on Dividend		44.84	11.53
Transfer to General Reserve		217.20	146.83
Transfer to Redemption Reserve		365.79	301.23
<b>PROFIT(LOSS) CARRIED TO BALANCE SHEET</b>		<b>2310.74</b>	<b>2120.43</b>
Earning Per Share (Basic and Diluted)		6.31	5.41
<b>No. of Equity Shares</b>		<b>13570400</b>	<b>13570400</b>

**Significant Accounting Policies & Notes on Accounts Schedule "T"**

**FOR AND ON BEHALF OF THE BOARD**

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR, BATRA DEEPAK & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**[RAMANAND AGRAWAL]  
DIRECTOR**

**[RAJESH AGRAWAL]  
DIRECTOR**

**[DEEPAK BATRA]  
PARTNER  
M. NO. 74052  
FIRM REG. NO. 005408C**

**[PRAHALLAD SAWADIYA]  
COMPANY SECRETARY**

PLACE : RAIPUR  
DATE : 10TH AUGUST 2010

PLACE : RAIPUR  
DATE : 10TH AUGUST 2010

**MAHAMAYA STEEL INDUSTRIES LIMITED**  
(FORMERLY, RAJESH STRIPS LIMITED)

**SCHEDULE "A" TO "T" ANNEXED TO AND FORMING PART OF THE B/S AS ON 31ST MARCH 2010  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	SCHEDULE	AS AT 31.03.10 (RS. IN LACS)	AS AT 31.03.09 (RS. IN LACS)
<b>SCHEDULE - "A":</b>			
<b>SHARE CAPITAL:</b>			
<b>AUTHORISED SHARE CAPITAL:</b>			
1,50,00,000 (P.Y.2, 50,00,000) Equity Shares of Rs.10/- each		1500.00	2500.00
30,00,000 (P.Y. 30,00,000) Preference Shares of Rs. 10/- each		300.00	300.00
3,20,00,000 (P.Y. 2,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference Share of Rs 10/- each		3200.00	2200.00
	<b>TOTAL(Rs.)</b>	<b>5000.00</b>	<b>5000.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>			
135,70,400 (P.Y. 135,70,400) Equity Shares of Rs.10/- each fully paid up		1357.04	1357.04
19,72,300 (P.Y. 29,72,300 ) Optionally Convertible Redeemable Preference Shares.		197.23	297.23
3,20,00,000 (P.Y. 2,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference Share of Rs 10/- each		3200.00	2200.00
	<b>TOTAL(Rs.)</b>	<b>4754.27</b>	<b>3854.27</b>
<b>SCHEDULE " B":</b>			
<b>RESERVES &amp; SURPLUS:</b>			
General Reserve		1376.40	1059.21
Capital Redemption Reserve		718.47	452.67
Capital Investment Subsidy		5.00	5.00
Share Forfeiture Account 5600 Equiy Shares of Rs. 10/- each partly paid Rs. 5/-each		0.28	0.28
Securities Premium Account		1000.00	0.00
Profit & Loss Account		2314.74	2120.43
	<b>TOTAL(Rs.)</b>	<b>5414.89</b>	<b>3637.59</b>
<b>SCHEDULE - "C":</b>			
<b>SECURED LOANS:</b>			
Term Loan from Bank (Please Refer Note 1 below)		2302.98	3040.89
Working Capital Facility from Banks (Please Refer Note 1 below)		2565.42	2535.77
LC Facility from Bank (Please Refer Note 1 below)		474.19	0.00
Hire Purchase Finance from ICICI Bank (Please Refer Note 2 below)		0.00	2.90
	<b>TOTAL(Rs.)</b>	<b>5342.60</b>	<b>5579.57</b>
Note:			
1. Secured by way of First Pari passu charge on Current and Fixed Assets of the Company and Personal guarantee of some of directors.			
2. Secured by way of hypothecation of vehicles			
<b>SCHEDULE - "D":</b>			
<b>UNSECURED LOANS:</b>			
Inter Corporate Loans		0.00	1765.00
	<b>TOTAL(Rs.)</b>	<b>0.00</b>	<b>1765.00</b>



**MAHAMAYA STEEL INDUSTRIES LIMITED  
(FORMERLY, RAJESH STRIPS LIMITED)  
SCHEDULE "E" : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON 01.04.2009	Addition During the year	Adju- stment (-)	Total As on 31.03.2010	As on 01.04.2009	For the period	Adju- stment (-)	Total Depreciation 31.03.2010	As on 31.03.2010	As on 31.03.2009
1. LEASEHOLD LAND & SITE DEVELOPMENT	35.03	0.26	0.00	35.29	0.00	0.00	0.00	0.00	35.29	35.03
2. FREE HOLD LAND	679.70	38.14	0.00	717.85	0.00	0.00	0.00	0.00	717.85	679.71
3. BUILDING	1190.22	8.85	0.00	1199.06	82.74	39.19	0.00	121.93	1077.13	1107.47
4. PLANT & MACHINERY	8474.78	543.49	26.94	8991.33	1923.16	795.04	7.40	2710.79	6280.54	6551.63
5. FURNITURE & FIXTURES	60.36	3.11	0.00	63.47	22.53	5.64	0.00	28.17	35.30	37.83
6. VEHICLES	207.38	105.50	0.00	312.88	30.67	25.33	0.00	56.00	256.88	176.70
<b>TOTAL RS.</b>	<b>10847.47</b>	<b>699.34</b>	<b>26.94</b>	<b>11319.87</b>	<b>2059.10</b>	<b>865.20</b>	<b>7.40</b>	<b>2916.89</b>	<b>8402.97</b>	<b>8588.37</b>
7. CAPITAL WORK IN PROGRESS	84.19	246.97	0.00	331.16	0.00	0.00	0.00	0.00	331.16	84.19
<b>TOTAL RS.</b>	<b>84.19</b>	<b>246.97</b>	<b>0.00</b>	<b>331.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>331.16</b>	<b>84.19</b>
<b>GRAND TOTAL (RS.)</b>	<b>10731.65</b>	<b>946.32</b>	<b>26.94</b>	<b>11651.03</b>	<b>2059.10</b>	<b>865.20</b>	<b>7.40</b>	<b>2916.89</b>	<b>8734.13</b>	<b>8671.56</b>
PREVIOUS YEAR RS.	8444.43	7425.15	5137.92	10731.66	2182.09	318.26	451.25	2059.10	8672.56	6262.34

**MAHAMAYA STEEL INDUSTRIES LIMITED**  
(FORMERLY, RAJESH STRIPS LIMITED)

SCHEDULE "A" TO "T" ANNEXED TO AND FORMING PART OF THE B/S AS ON 31ST MARCH 2010  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	SCHEDULE	AS AT 31.03.10 (RS. IN LACS)	AS AT 31.03.09 (RS. IN LACS)
<b>SCHEDULE - "F":</b>			
<b>INVESTMENTS:</b>			
Long Term (Unquoted):			
1200300 Equity Shares of Rs. 10 each in Shree Shyam Sponge and Power Limited		30.01	30.01
2000000 Equity Shares of Rs.10/- each in Devi Iron and Power Private Limited		200.00	200.00
	<b>TOTAL(Rs.)</b>	<b>230.01</b>	<b>230.01</b>
<b>SCHEDULE - "G":</b>			
<b>INVENTORIES:</b>			
(As taken, valued & certified by the Directors)			
Raw Materials		2793.18	1607.23
Finished Goods		2072.89	2440.51
Stores & Consumables		892.81	308.01
	<b>TOTAL(Rs.)</b>	<b>5758.87</b>	<b>4355.75</b>
<b>SCHEDULE - "H":</b>			
<b>SUNDRY DEBTORS:</b>			
(Un-Secured, Considered Good)			
		578.13	414.29
		3360.28	1820.31
	<b>TOTAL(Rs.)</b>	<b>3938.41</b>	<b>2234.60</b>
<b>SCHEDULE - "I":</b>			
<b>CASH AND BANK BALANCES:</b>			
Cash in Hand		22.98	20.75
Balances with Scheduled Banks :			
In Current Accounts		123.96	189.67
On Deposit Account		207.51	213.61
	<b>TOTAL(Rs.)</b>	<b>354.46</b>	<b>424.03</b>
<b>SCHEDULE - "J":</b>			
<b>LOANS &amp; ADVANCES:</b>			
(Un-Secured, Considered Good)			
Advances recoverable in Cash or in kind or for value to be received			
<b>Advances for :</b>			
Raw Material Purchase		186.97	152.82
Stores, Consumables & Expenses		206.19	30.78
Capital Goods		89.39	133.55
Others		64.00	58.88
<b>Deposits with :</b>			
Govt. Authorities		462.70	376.80
Suppliers		36.88	29.88
Commercial Tax Authorities		284.87	390.17
Income Tax Authorities		215.51	140.38
Central Excise Authorities		117.77	191.37
	<b>TOTAL(Rs.)</b>	<b>1664.29</b>	<b>1503.62</b>



**MAHAMAYA STEEL INDUSTRIES LIMITED  
(FORMERLY, RAJESH STRIPS LIMITED)**
**SCHEDULE "A" TO "T" ANNEXED TO AND FORMING PART OF THE B/S AS ON 31ST MARCH 2010  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	SCHEDULE	AS AT 31.03.10 (RS. IN LACS)	AS AT 31.03.09 (RS. IN LACS)
<b>SCHEDULE - "K": CURRENT LIABILITIES AND PROVISIONS</b>			
Sundry Creditors for :			
Expenses and Stores		1089.80	649.22
Services		8.55	13.84
Capital goods		83.45	161.51
Advance From Customers		659.52	358.42
Other Liabilities		31.21	10.61
Provisions		1185.70	703.48
	<b>TOTAL(Rs.)</b>	<b>3058.23</b>	<b>1897.08</b>
<b>SCHEDULE - "L": SALES:</b>			
Manufactured Goods Sales		39242.54	39728.47
Captive Consumption		0.00	54.80
Scrap (End Cutting)		1033.87	45.32
Sale of Waste and Scrap		5.75	0.00
Pig Iron trading sale		0.00	238.02
Conversion Charges Received		2267.89	1686.26
	<b>TOTAL(Rs.)</b>	<b>42550.05</b>	<b>41752.87</b>
<b>SCHEDULE - "M": OTHER BUSINESS INCOME:</b>			
Insurance Claim		4.37	3.84
Interest Received		49.64	61.83
Profit on Sale of Fixed Asset		0.00	0.14
Income on Transportation		43.82	4.96
Miscellaneous Income		7.97	18.09
	<b>TOTAL(Rs.)</b>	<b>105.81</b>	<b>88.87</b>
<b>SCHEDULE - "N": INCREASE/(DECREASE) IN STOCKS:</b>			
Closing Stock			
Finished Goods		2072.89	2440.51
Trading stock of Pig Iron		0.00	0.00
	<b>Total (A)</b>	<b>2072.89</b>	<b>2440.51</b>
Less: Opening Stock			
Finished Goods		2440.51	1503.83
Trading stock of Pig Iron		0.00	195.72
	<b>Total (B)</b>	<b>2440.51</b>	<b>1699.55</b>
Increase/(Decrease) in Stock	<b>Total (A - B)</b>	<b>(367.62)</b>	<b>740.96</b>
<b>SCHEDULE - "O": CONSUMPTION OF RAW MATERIALS:</b>			
Opening Stock		1607.23	1211.46
Add: Purchases		27527.01	29401.27
		<b>29134.24</b>	<b>30612.73</b>
Less: Closing Stock		2793.18	1607.23
	<b>TOTAL(Rs.)</b>	<b>26341.06</b>	<b>29005.51</b>

**MAHAMAYA STEEL INDUSTRIES LIMITED**  
(FORMERLY, RAJESH STRIPS LIMITED)

SCHEDULE "A" TO "T" ANNEXED TO AND FORMING PART OF THE B/S AS ON 31ST MARCH 2010  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	SCHEDULE	AS AT 31.03.10 (RS. IN LACS)	AS AT 31.03.09 (RS. IN LACS)
<b>SCHEDULE - "P":</b>			
<b>MANUFACTURING EXPENSES:</b>			
Consumption of Stores & Consumables		2341.48	1658.37
Power & Fuel Charges		5186.21	3310.30
Conversion charges		451.69	354.37
Payment to Workers		526.08	291.59
Repairs & maintenance to:			
Others		5.48	6.31
Plant & Machinery		6.48	13.78
Variation in Excise Duty on Closing Stock		49.75	-85.85
	<b>TOTAL(Rs.)</b>	<b>8567.18</b>	<b>5548.87</b>
<b>SCHEDULE - "Q":</b>			
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:</b>			
Salary & Bonus		55.64	49.13
Employer's Contribution to E.S.I./E.P.F.		31.72	20.82
Gratuity		3.63	15.02
Staff welfare Expenses		23.29	17.10
Directors' Remuneration		156.00	155.30
	<b>TOTAL(Rs.)</b>	<b>270.28</b>	<b>257.37</b>
<b>SCHEDULE - "R":</b>			
<b>SELLING , ADMINISTRATIVE &amp; OTHER EXPENSES:</b>			
Rent, Rates & Taxes		7.21	1.54
Legal & Professional Charges		8.41	9.11
Travelling & Conveyance		10.34	12.55
Telephone Expenses		6.29	7.08
Auditors Remuneration		3.00	3.00
Other Administrative Expenses		82.77	88.23
Selling & Distribution Expenses		237.03	180.70
Loss on Sale of Fixed Assets		7.69	0.00
	<b>TOTAL(Rs.)</b>	<b>362.74</b>	<b>302.20</b>
<b>SCHEDULE - "S":</b>			
<b>FINANCIAL COST</b>			
Interest:			
Banks		565.27	519.56
Bank charges & Commission		39.19	42.78
	<b>TOTAL(Rs.)</b>	<b>604.46</b>	<b>562.34</b>



**MAHAMAYA STEEL INDUSTRIES LIMITED**

(Formerly known as Rajesh Strips Limited)

**SCHEDULE " T " : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****A. 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 & AMORTISATION:**

(a) 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.

(B) Amortization is not being made on leasehold land being insignificant amount.

**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:**

- (A) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (B) 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.
- (C) Non monetary foreign currency items are carried at cost.
- (D) 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:**

Finished goods are measured at lower of cost or net realizable value. Cost includes 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. TURNOVER:**

Turnover includes sale of goods including steel scrap and broken rolls, services, sales tax, excise duty adjusted for discounts (net) and gain/loss on corresponding hedge contracts.

**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 & 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. EMPLOYEES' RETIREMENT BENEFITS:**

- (a) Company's contribution to Employees Provident Fund is charged to revenue every year.
- (b) Gratuity has been accounted for as per actuarial valuation.

**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. PROVISION, 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.

**B. NOTES ON ACCOUNTS:**

**1. CONTINGENT LIABILITIES:**

Sl. No	Particulars	31.3.2010 (Rs. In lacs)	31.3.2009 (Rs. In lacs)
(I)	Outstanding Bank guarantees	350.00	250.00
(ii)	Sales Tax demand under appeal	38.27	58.40
(iii)	Central Sales Tax demand under appeal Excise Duty liabilities under appeal	10.07 34.21	30.13 26.92
(iv)	Estimated amount of contracts remaining To be executed on capital account ( net of advances)	300.00	400.00
(V)	Entry tax not paid on account of exemption from Govt. of Chhattisgarh. However certificate of exemption yet not received.	57.46	57.46
(vi)	Corporate guarantee given for a loan of a body corporate	3025.00	3025.00

2. Parties' accounts are subject to confirmation. Consequential effects adjustment, presently unascertainable, will be provided as and when confirmed.
3. Sundry Debtors, 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.
4. 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.
5. 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.
6. The breakup of Deferred Tax liabilities/(assets) at the year end in two major components of the respective balances are as follows:



Sl. No.	Particulars	AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)
(a)	Opening Deferred Tax liability / (Deferred Tax Assets)	458.06	2.70
(b)	Add : Deferred Tax liability Tax impact due to difference between Tax Depreciation & Book Depreciation on Fixed Assets and allowances under the Income Tax Act.	78.01	529.78
(c)	Less : Deferred Tax Assets Unabsorbed depreciation, unabsorbed loss and disallowances under the Income Tax Act.	76.00	77.24
(d)	Add : Reversal of Deferred Tax liability / (Deferred Tax Assets)	5.12	2.82
(e)	Debit to Profit and Loss account	7.13	455.36
(F)	Recognition of Deferred Tax Asset/ Provision for deferred tax liability (net) / (Assets)	465.18	458.06

7. 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.

**8. DIRECTORS' REMUNERATION:**

(Rs in Lacs)

Particulars	F.Y. 2009-10	F.Y. 2008-09
Director's Remuneration	156.00	155.30

**Computation of Net Profit in accordance with Section 198 read with Section 309(5)**

	Rs. In lacs	Rs. in lacs
Particulars	F.Y. 2009-2010	F.Y. 2008-2009
Profit before Tax	1336.16	1329.26
Add: Managerial Remuneration	156.00	155.30
Total	1492.16	1484.56

## 22nd Annual Report 2009-10

### 9. AUDITORS' REMUNERATION:

(Rs. in Lacs)

Sl. No.	Particulars	F.Y. 2009-10	F.Y. 2008-09
(i)	Audit Fees	2.50	2.50
(ii)	Other Services	0.50	0.50
	<b>TOTAL</b>	<b>3.00</b>	<b>3.00</b>

- 10 (a) Imported Raw Material, Stores and spares consumed Rs. 21.46 lacs (Rs. 91.06 lacs)  
 (b) FOB value of Exports to Nepal was Rs. 151.03 lacs in INR- (Rs. 117.83 lacs)  
 (c) Expenditure in foreign currency Rs. 21.46 lacs - (Rs. 80.05 Lacs)  
 (d) Earning in foreign currency NIL- (NIL)  
 (E) Value of Imports calculated on CIF basis Rs. 21.46 lacs - (Rs. 80.05 Lacs)  
 (Bracket represent previous year)

### 11. EARNING PER SHARE (E.P.S.):

(Rs. in Lacs)

PARTICULARS	F.Y. 2009-10	F.Y. 2008-09
Profit after Tax attributable to the Equity Shareholders (A)	1085.99	734.13
Less : Preference Dividend (Including Dividend Tax)	229.31	Nil
Amount available for Equity Shareholders	856.68	734.13
Weighted Average of Equity Shares outstanding during the year (Nos.) (B)	13570400	13570400
Nominal Value of Equity Share (Rs.)	10.00	10.00
Basic/ Diluted E.P.S. (Rs.) (A/B)	6.31	5.41

- 12 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 receipts of Rs. 53.90 lacs from sale of gas and Rs. 769.98 lacs from sale of Blooms/ Billets to outside parties.



13. Related party disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

**A. List of Related Parties and Relationships:-**

a) Associate concerns:

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 Pvt. Ltd.

b) Key Management Personnel

1. Shri Ramanand Agrawal
2. Shri Rajesh Agrawal
3. Smt. Gulab Bai Agrawal
4. Shri D. K. Porwal
5. Shri Neeraj Kansal
6. Shri Gitesh Agrawal
7. Shri Suryakant Sharma (Resigned w.e.f. 30.01.2010)
8. Shri Anil Kumar Sharma (Resigned w.e.f. 30.01.2010)

c) Relative of key management personnel

1. Rajesh Agrawal (HUF)
2. Shri Anand Agrawal
3. Ramanand Agrawal (HUF)
4. Smt. Asha Devi Agrawal
5. Smt. Rekha Agrawal

d) Enterprises over which key Management Personnel and their relatives exercise significant influence with whom transactions have taken place during the year:

1. Abhishek Steel Industries Limited
2. Shree Shyam Sponge & Power Limited
3. Antriksh Commerce Pvt. Ltd.
4. Callidora Traders Private Limited
5. Mark Vision Multi Services Pvt. Ltd.

**B. Transactions with related parties:**

(Rs. In Lacs)

Description	Key Management Personnel		Relative of Key Management Personnel		Associate Concern		Enterprises Controlled by Key Management personnel & their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Investment	--	--	--	--	--	--	--	200.00
Director Remuneration	156.00	155.30	--	--	--	--	--	--
Office rent	--	--	--	2.25	--	--	--	--
Sales	--	--	1392.56	1026.76	397.42	--	1052.14	1700.42
Purchase	--	--	--	--	385.55	--	6054.03	12826.24
Hire Charges	--	--	2.60	2.40	--	--	--	--
Transfer of Assets & Liabilities	--	--	--	--	--	--	--	483.77
Assets purchased	--	--	--	--	1.50	--	0.01	--
Transportation expenses	--	--	30.00	30.00	2.81	--	--	--
Unsecured Loan Received	--	--	--	--	--	--	--	530.50
Conversion Charges paid	--	--	--	--	--	--	451.69	354.37
<b>Outstanding Balance as on 31.03.2010</b>								
Debtors	--	0.14	0.45	--	--	--	--	--
Loans & Advances	--	--	--	--	--	--	--	--
Creditors	9.04	--	2.67	17.63	--	--	391.54	386.89
Unsecured loan including intl.	--	--	--	--	--	--	--	1765.00
Investment	--	--	--	--	--	--	230.01	230.01

NOTE: Reimbursement of expenses to Related Party have not been shown above (if any).

14. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4, & 4B OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 TO THE EXTENT APPLICABLE (As certified by the Management).

**1. CAPACITY & PRODUCTION :**

Sl.No.	Particulars	F.Y. 2009-10	F.Y. 2008-09
(a)	Licensed & Registered (Capacity)		
	(i) Steel structural (M.T./PA)	355000	355000
	(ii) Steel Melting Shop	200000	200000
	(ii) Gas Plant (Cubic Meter)	900000	900000
	(iv) Power (M.W.)	50	50
	(v) Pig Iron (M.T./P.A.)	180000	180000
(b)	Installed Capacity (M.T./PA)		
	(i) Steel Structural	255000	255000
	(ii) Steel Melting Shop	148500	148500
	(iii) Gas Plant (Cubic Meter)	900000	900000
(c)	Production (MT)		
	(i) Steel Structural	162228.020	123653.200
	(ii) Conversion Production (by others for us)	16363.435	7087.190
		<b>178591.455</b>	<b>130740.385</b>
	(iii) Oxygen Gas Cylinders	112730 NOS or 789110 Cubic Meter	98805 NOS or 691635 Cubic Meter
	(iv) Blooms and Billets	104067.485	58201.720



**2. TURNOVER:**

Particulars		QUANTITY (IN MT)	AMOUNT (RS. IN LACS)
(i)	(a) Steel structural, end cutting and scrap (net of sales return)	132206.655 (92165.535)	39458.28 (38277.76)
	(b) Conversion of Steel Structural for others	40754.730 (30688.490)	2267.89 (1686.26)
	(c) Blooms & Billets	3270.550 (5652.950)	769.98 (1404.34)
(ii)	Pig Iron (Trading)	NIL (813.100)	NIL (238.02)
(iii)	Oxygen Gas Cylinders	52254 Nos or 365778 Cubic meter (71099 Nos or 497693 Cubic Meter)	53.90 (70.79)
(iv)	Internal Consumption of Joist & Channels	NIL (195.72)	NIL (54.80)
(v)	Internal Consumption of end cutting	5620.77 (5596.51)	983.17 (1166.02)
(vi)	Internal Consumption of Oxygen Gas Cylinders	60454 Nos or 423178 Cubic Meter (27707 Nos or 193949 Cubic Meter)	46.57 (20.90)

Note : Figures in the bracket indicate figures for the previous year

## 3. STOCK

Sl. No.	Particulars	QUANTITY (IN MT)	AMOUNT (RS. IN LACS)
a)	<u>OPENING STOCK</u>		
	(i) Finished Goods	6729.700	1855.95
	(a) Steel structural (including end cuttings)	(4716.085)	(1503.83)
	(b) Blooms	2170.745	442.78
		(NIL)	(NIL)
	(ii) Pig Iron (Trading item)	NIL	NIL
		(788.110)	195.72
	(iii) Oxygen Gas Cylinders	154 Nos or 1078 Cubic Meter	0.13
		(155 Nos or 1085 Cubic Meter)	(0.12)
(b)	<u>CLOSING STOCK</u>		
	(i) Finished Goods	6374.949*	1819.59*
	(a) Steel Structural (including end cuttings)	(6729.700*)	(1855.95*)
	(b) Blooms	1195.515	253.15
		(2170.745)	(442.78)
	(ii) Pig Iron (Trading item)	NIL	NIL
		(NIL)	(NIL)
	(ii) Oxygen Gas Cylinders	176 Nos or 1232 Cubic Meter	0.15
		(154 Nos or 1078 Cubic Meter)	(0.13)

\* It does not include 555.456 M.T. (P.Y. 191.405 MT) stock held on account of conversion supply to be made.

Note : Figures in the bracket indicate figures for the previous year.

## 4. CONSUMPTION ( ALL INDIGENOUS):

Sl.No.	Particulars	QUANTITY (IN MT)	AMOUNT (RS. IN LACS)
(a)	Raw Material for Steel Structures (Blooms and Billets ) (Refer Note 1)	176950.850 (144972.825)	10126.44* (18078.26)
(b)	Raw Material for SMS Plant (Sponge Iron, Pig Iron and Scrap etc.) (Refer Note 2)	123190.240 (69278.997)	16214.62 (10927.25)
(c)	Trading item purchased	NIL (24.99)	NIL (6.15)
(d)	Stores & Spare parts	---	2341.48 (1658.37)

Figures in the bracket indicate figures for the previous year.



**Note:**

- (1) It includes captive consumption of blooms of 101772.165 MT (P.Y. 50378.025 MT) and conversion material 43880.880 MT (P.Y. 32514.920 MT)
- (2) It includes captive consumption of 5620.77 MT (P.Y. 7457.645) end cutting and scrap transferred from Rolling Mill.

\* Amount does not include any notional value for stock transfer from SMS and of conversion stock.

---

**SIGNATURES TO SCHEDULES "A" TO "T"****FOR AND ON BEHALF OF THE BOARD****For, BATRA DEEPAK & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(FIRM REG. NO. 005408C)****[RAMANAND AGRAWAL]  
MANAGING DIRECTOR****[RAJESH AGRAWAL]  
DIRECTOR****[DEEPAK BATRA]  
PARTNER  
M.No. 74052****PRAHALLAD SAWADIYA  
[COMPANY SECRETARY]****PLACE: RAIPUR  
DATE: AUGUST 10, 2010****PLACE: RAIPUR  
DATE: AUGUST 10, 2010**

**MAHAMAYA STEEL INDUSTRIES LIMITED**

(Formerly known as Rajesh Strips Limited)

**Balance Sheet Abstract and Company's General Business Profile**

1.	Registration Details	
	Registration No.	4607
	State Code	10
	Balance Sheet Date	31.03.2010

2.	Capital raised during the year (Amount in lacs)				
	Public Issue	NIL	:	Right issue	NIL
	Bonus Issue	NIL	:	Private placement	900.00
3.	Position of Mobilization and Deployment of Funds (Amount in lacs)				
	TOTAL LIABILITIES	20680.17	:	TOTAL ASSETS	20680.17
	<b>SOURCES OF FUNDS</b>		:	<b>APPLICATION OF FUNDS</b>	
	Paid-up Capital	4754.27	:	Net Fixed Assets	8734.13
	Share application money	1645.00	:	Investments	230.01
	Reserves & Surplus	5414.89	:	Net Current Assets	8657.80
	Secured Loans	5342.60	:	Misc. Expenditure	---
	Unsecured Loans	---	:	Accumulated Losses	---
	Deferred Tax Liability	465.18	:		
4.	Performance of Company (Amount in lacs)				
	Turnover (Total Income)	38342.35	:	Total Expenditure	37010.92
	Net Profit before tax and prior period adjustment	1331.43	:	Net Profit after tax	1085.99
	Earning per share (Rs.)	6.31	:	Dividend and Dividend tax	308.69

5.	Generic name of the principle products of the Company	
	Item Code No.	72081201
	Product description	Steel Structural & Strips
	Item Code No.	72071190
	Product description	Blooms and Billets

FOR AND ON BEHALF OF THE BOARD

[RAMANAND AGRAWAL]  
MANAGING DIRECTOR[RAJESH AGRAWAL]  
DIRECTOR[PRAHALLAD SAWADIA]  
COMPANY SECRETARY

PLACE: RAIPUR

DATE : AUGUST 10, 2010



**MAHAMAYA STEEL INDUSTRIES LIMITED  
FORMERLY RAJESH STRIPS LIMITED  
CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE FINANCIAL YEAR 2009-10**

	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
i. Net Profit before Tax	1336.16	1329.25
<b>Adjustment for :-</b>		
Depreciation	865.20	328.25
Interest charged to Profit and Loss Account	604.46	562.34
Provision for fringe benefit tax	0.00	(1.90)
Provision for income tax	(250.16)	(593.23)
<b>ii. Operating Profit before Working Capital changes</b>	<b>2555.65</b>	<b>1624.71</b>
<b>Adjustment for :-</b>		
Increase (decrease) in Trade & other Receivables	1703.81	-30.16
Increase (decrease) in Inventories	1403.12	1327.78
Increase(decrease) in Trade Payables	1168.28	(997.92)
Increase in other receivable	159.67	(677.21)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>457.32</b>	<b>6.38</b>
<b>TOTAL CASH AVAILABLE FROM OPERATING ACTIVITIES (A)</b>	<b>457.32</b>	<b>6.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets and capital WIP and pre operative exp.	(946.32)	(3222.30)
Sale of Fixed Assets	19.54	483.83
Investment in Shares	0.00	(200.00)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(926.78)</b>	<b>(2938.47)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds/(Repayment) of Long Term Borrowings	(236.97)	3243.63
Interest an Bank charges Paid	(604.46)	(562.34)
Unsecured Loan Paid	(1765.00)	(2279.52)
Security Premium	1000.00	0.00
Provision for dividend	(263.85)	(67.85)
Provision for dividend tax	(44.84)	(11.53)
Issue of Redeemable preference share capital	900.00	2200.00
Share Application money received	1415.00	230.00
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>399.88</b>	<b>2752.39</b>
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	(69.57)	(179.70)
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>424.03</b>	<b>603.73</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>354.46</b>	<b>424.03</b>

NOTES: 1) Figures in the brackets represent outflows.

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

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

FOR AND ON BEHALF OF THE BOARD

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR, BATRA DEEPAK & ASSOCIATES  
CHARTERED ACCOUNTANTS

[RAMANAND AGRAWAL]  
MANAGING DIRECTOR

[RAJESH AGRAWAL]  
DIRECTOR

[DEEPAK BATRA]  
PARTNER  
M.No. 74052  
FIRM REG. NO. 005408C

[PRAHALLAD SAWADIA]  
COMPANY SECRETARY

PLACE : RAIPUR  
DATE : 10TH AUGUST 2010

PLACE : RAIPUR  
DATE : 10TH AUGUST 2010



## 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 SECOND ANNUAL GENERAL MEETING of the Company at Plot B-8/9, Sector C, Urla Industrial Area, Sarora, Raipur 493221 (Chhattisgarh), at 11 a.m. on 28th September, 2010.

Full name of the Member  
(in block letters)

Signature

Folio No.: \_\_\_\_\_

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 (C.G.)

### 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 Second Annual General Meeting of the Company, to be held on Tuesday, 28th September, 2010 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Folio No.: \_\_\_\_\_

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, Plot 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 folio with different joint-holders may use copies of this Attendance Slip/Proxy.