

MAHAMAYA STEEL INDUSTRIES LIMITED

An ISO 9001 : 2008 Company



24TH ANNUAL REPORT 2011-12

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COMPANY'S GENERAL INFORMATION

BOARD OF DIRECTORS:

Mr. Ramanand Agrawal

Mr. Rajesh Agrawal

Mrs. Gulabbai Agrawal

Mr. Vinod Puri Goswami

Mr. Neeraj Kansal

Mr. Gitesh Agrawal

Mr. Manish Kumar Agrawal

Mr. Atul Garg

Chairman

Managing Director

Executive Director

Executive Director

Independent Director

Independent Director

Independent Director

Independent Director

COMPANY SECRETARY:

Mrs. Jaswinder Kaur Mission

STATUTORY AUDITOR:

M/s Batra Deepak & Associates

Chartered Accountants,

Ashoka Plaza Complex,

Shop No. 28, 2nd Floor,

Vidhan Sabha Road,

Raipur-492 001 (Chhattisgarh)

COST AUDITOR:

M/s. S.C. Mohanty & Associates

Prem Poon, Pt. Dindayal Upadhyay Nagar,

Akash Gas Godown Road, P.O.: Gudiary,

Raipur-492 011 (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,

Uria Industrial Area,

Sarora, Raipur-493 221 (Chhattisgarh)

Telephone: +91 771 4006666 (30 Lines)

Fax No.: +91 771 4006611

E-mail: rsryp@satyam.net.in

Website: www.mahamayagroup.in

REGISTRAR & SHARE TRANSFER AGENT:

System Support Services,

209, Shiva Industrial Estate,

89, Andheri Kurla Road,

Sakinaka, Andheri (E),

MUMBAI-400 072

From the Chairman's Desk



Dear Shareholders,

It gives me immense pleasure to inform you that "Mahamaya Group" since coming to its existence has developed indigenous technologies in secondary manufacturing to produce Structural steels that were earlier produced by primary/main producers only. We are first in the country to produce MB-600, MB-500 & MC-400 in Private Sector.

During the year under review the direct sales of your Company is Rs.608.13 Crores which seems to be less than last year's total sales of Rs.634.80 Crores. As a matter of fact, last year we had the conversion contract with SAIL and that contributed nearly 5% of the total turnover, which we don't have this year. Thus, your Company has done better this year, while considering the direct sales.

During the year under review the Company has commissioned a new Induction Furnace with capital expenditure of about Rs.3 crores. This will help in coming years to increase the steel production in steel melting shop. This in-house raw materials will cater the requirement of existing Structural Rolling Mill, thereby reducing the consumption cost on raw materials and will result in increased profit.

We are planning to install Ladle Refining Furnace in Steel Melting Shop within a year to overcome the scarcity of quality raw-material and to produce better quality materials. After this, Company will go for approval with organizations like Power Grid Corporation of India Ltd, Railways and many other organizations in public & private sector for supply of billets, blooms and Structural Steels.

During this year the Company has added new customers in its existing list of clientele like Central Organization for Railway Electrification, Chhattisgarh State Power Distribution/Generation and Transmission Company Ltd, Reliance Group of Companies, ACC-AMBUJA Group, Ultratech Cement, TRF Ltd, NTPC Ltd, L&TMHI Boilers Pvt. Ltd. In association with these new customers along with existing customers, the Company will do better business and will generate more revenue in coming years.

At present we are having orders of many companies and MOU with BHEL for the 2nd quarter of the year which may be extended for further period of 2 years.

During the year as scheduled, Company has timely redeemed the last installment of 0% Optionally Convertible Redeemable Preference Shares of Rs.97.23 lacs and consequently related share capital has been reduced.

As discussed in our last Annual General Meeting, during the year under review your Company has added new Continuous Casting Machine to increase the production capacity of Steel Melting Shop, subsequently fulfill the requirement of Rolling Mill and in turn will increase the production of end product. We also got affected due to global recession. The payment which earlier, we used to get in 30 days was prolonged to 60 & 90 days resulting in an interest burden on us and it also affected on our working capital. However as far as production is concerned, the Company is capable enough to fulfill its commitment.

As discussed in previous year, the Company is planning stage wise expansion through various Greenfield, Brownfield projects. But in view of current market scenario, significant progress has not taken place in these expansion activities. But management is of the view that as and when the markets improve the working on expansion projects can expedite. Currently, Company is also working on technology development to reduce the cost of production which will immensely benefit the Company in long run. Such expansion and technology improvement activities will require capital investment. Taking the prudent view, management wants to keep the outside debt at minimum. In view of lesser distributable profit in the year under review, management's view is to keep the available resources intact to strengthen the Company Operations. Hence, your directors have taken a prudent decision to not to propose any dividend for the financial year under review.

Last but not a bit least, I place on record my sincere appreciation to the Board of Directors, Executive Management and each and every member of Mahamaya Group including our extended family of customers, suppliers, bankers, advisors, and consultants for their valuable contributions made.

With due Regards,

Ramanand Agrawal

Chairman

VISION



Let nothing hold you back from exploring your wildest fantasies, wishes, and aspirations. Don't be afraid to dream big and to follow your dreams wherever they may lead you. Open your eyes to their beauty; Open your mind to their magic; Open your heart to their possibilities.

Dare to dream. Whether they are in color or in black and white, Whether they are big or small, easily attainable or almost impossible, look to your dreams, and make them become reality. Wishes and hopes are nothing until you take the first step towards making them something!

Dare to dream, because only by dreaming will you ever discover who you are, what you want, and what you can do. Don't be afraid to take risks, to become involved, to make a commitment. Do whatever it takes to make your dreams come true. Always believe in miracles and always believe in you!

I take this opportunity to acknowledge the efforts of all those who contributed to our growth—our shareholders, customers, employees, suppliers & community members. The Company will continue to enhance value for all those who depend on us, work with us and invest in us.

With warm Regards,

Rajesh Agrawal
Managing Director

FINANCIAL HIGHLIGHTS

PROFITABILITY (Rs. In Lacs)	2011-12	2010-11	2009-10
Gross Sales	60,813.55	63,480.01	42,550.05
Excise Duty	5,508.52	5,496.65	3,026.96
Sales Tax and VAT	1,324.88	1,335.44	918.95
Net Sales	53,980.15	56,647.92	38,604.16
EBIDTA	2,454.46	2,919.62	2,801.09
Depreciation	542.46	731.82	865.20
Interest	795.79	605.06	604.46
Profit Before Tax and Prior Period Adjustment	1,116.21	1,582.75	1,331.43
Prior Period Adjustment	3.04	-9.81	4.73
Profit Before Tax	1,119.25	1,572.94	1,336.16
Provision for Current Tax	272.30	357.79	228.04
Income Tax Pertaining to Earlier Year	-0.02	0.18	15.00
Provision for Deferred Tax	86.66	101.20	7.13
Net Profit	760.31	1,113.76	1,085.99
Earning Per Share	5.60	8.21	6.31





NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of Mahamaya Steel Industries Ltd will be held on 29th September, 2012 at 1.30 pm at its Registered Office at Plot B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur-493 221 (Chhattisgarh) to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Manish Kumar Agrawal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Atul Garg who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Batra Deepak & Associates, Chartered Accountants as Statutory auditors of the Company for the financial year 2012-2013 to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS:

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

Alteration of the Articles of Association of the Company

"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), the Articles of Association of the Company be and is hereby accorded for alteration of the Articles of Association in the following manner:-

- I. Insertion of new Definitions in Article 1 i.e. Interpretation Clause after existing definition "In writing and written" which are as under:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depositories Act' means the Depositories Act 1996 and shall include any statutory modification(s) or reenactment thereof for the time being in force

'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992.

- II. Insertion of new Articles 17 and 18 in the Articles of Association of Company after the

existing Article 16 which are as under:

17. Dematerialisation of Securities

- a) Notwithstanding anything contained in the Articles of Association, the Company shall be entitled to dematerialize its shares including preference shares, debentures and other securities pursuant to the Depositories Act, 1996, and to offer its shares, debentures and other securities for issue in dematerialized form. The Company shall further be entitled to maintain a Register of Members with the details of members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media.
- b) Every person subscribing to the securities offered by the Company and every member or debenture holder shall have the option to hold the securities in the form of Security Certificate or to hold the securities with a depository when permitted.
- c) Where any holder of securities surrenders his Certificate of Securities held in the Company in accordance with section 6 of the Depository Act, 1996, and the Securities and Exchange Board of India (Depositories and participants) Regulations, 1996, the Company shall cancel the name of the relevant depository and inform the Depository accordingly.
- d) The Company shall maintain a record of certificates of securities that have been so dematerialized and destroyed.
- e) Such person who holds their securities with the depository can at any time opt out of the depository, if permitted by law, and the Company shall in such manner and within such time as prescribed by law issue to such person the requisite Certificate of Securities by Rematerialisation.
- f) Notwithstanding anything in the Act or these Articles, where securities dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities,

18. Distinctive No. of Securities held with a Depository

Nothing contained in the Act or these Articles regarding the necessity of having Distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

- III. Pursuant to the insertion made herein above of new Articles the Existing Article No. 17 to 189 be re- numbered as Article 19 to 191.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to prepare, finalize and execute such documents and writings as may be necessary for Alteration of Article of Association and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the above Resolution*.

Place: Raipur

Date: 05th September, 2012

FOR AND ON BEHALF OF THE BOARD
For, MAHAMAYA STEEL INDUSTRIES LIMITED

RAMANAND AGRAWAL
CHAIRMAN

NOTES:

1. 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 01.00 pm on 27th September, 2012.
2. Corporate members are requested to send duly certified copy of the Board resolution, pursuant to section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting.
3. Members are requested to bring their admission slips along with copy of the annual report to the Annual General Meeting.
4. Members who wish to obtain information on the Company or view the accounts for the financial year ended 31st March, 2012 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.
5. All the documents referred to in accompanying notice are available for inspection at the Registered Office of the Company on all working days between 1.30 pm to 4.00 pm up to the date of Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
7. 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, Shival Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072.
8. Members may avail nomination facility as provided under Section 109 A of the Companies Act, 1956.
9. 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 Notice.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 5

Alteration of Articles of Association:

The Company is providing facility to the shareholders to hold the shares of the Company in dematerialized form. The amendment is proposed in the Articles of Association to provide proper guidelines and regulation for dematerialization of securities and the Distinctive No. of Securities held with a Depositories and entitling the Company to hold the securities in dematerialize form. Further the shares of the company have been admitted to both depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd, (CDSL) and the ISIN is INE451L01014

If the shareholders desires to dematerialize the shares then kindly send communication regarding the same to our Registrar and Share Transfer Agent M/s. Systems Supports Services Unit: Mahamaya Steel Industries Limited, 209, Shivai Industrial Estate , Near Parke Davis, 89, Andheri Kurla Road, Saki Naka, Andheri (East) Mumbai-400072. Phone: 91-22-850 0835, Email: rslyp@satyam.net.in, quoting full name of the share holders, address and ledger folio or DP ID and Client ID.

As per the provisions of Section 31 of the Act, alterations of the provisions of Articles of Association requires passing of a special resolution in the general meeting of the Company.

The Articles of Association of the Company is available for inspection for the shareholders at the Registered Office of the Company between 2.00 pm and 4.00 pm on any working day.

The Directors recommend the resolution for your adoption.

None of the Directors of the Company is in any way concerned or interested in the subject resolution.

Annexure to the Notice**Details of the directors seeking appointment in forthcoming
Annual General Meeting**

Name of Director	Mr. Manish Kumar Agrawal	Mr. Atul Garg
Age	38 years	27 years
Date of Appointment	30.01.2010	30.01.2010
Expertise in specific functional area	Having an experience of more than 12 years in the field of Management, Accounts, Finance, and Administration.	Having an experience of more than 4 years in the field of Business Administration.
List of Companies in which Directorship held as on 31st March, 2012 (Other than Mahamaya Steel Industries Ltd.)	Nil	Nil
Chairman/Member of Committees of the Boards of other Companies, in which he/she is a Director as on 31st March, 2012.	Nil	Nil

Place: Raipur

Date: 05th September, 2012**FOR AND ON BEHALF OF THE BOARD
For, MAHAMAYA STEEL INDUSTRIES LIMITED****RAMANAND AGRAWAL
CHAIRMAN**

DIRECTORS' REPORT*Dear Shareholders,*

Your Directors of the Company have great pleasure in presenting to you the 24th Annual Report, of your Company together with the Audited Balance Sheet as on 31st March, 2012 and the Profit & Loss Account for the year ending on 31st March, 2012.

1. FINANCIAL HIGHLIGHTS:

(Rs. In Lacs)

Particulars	2011-12	2010-11
Sales	60,813.55	63,480.02
EBIDTA	2,454.46	2,919.62
Profit Before Tax	1,119.26	1,572.93
Provision for Income Tax	272.28	357.98
Deferred Tax Provision	86.66	101.20
Profit After Tax	760.32	1113.76
Appropriations:		
Amount transferred to General Reserve	152.06	222.75
Amount transferred to Redemption Reserve	523.15	539.67
Add: Brought forward Profit (Losses)	2,666.08	2,314.74
Profit (Loss) carried over to Balance Sheet	2,751.19	2,666.08

2. PERFORMANCE:

During the Year under review the production of steel structural including conversion production decreased from the level of 2.10 lacs MT to 1.68 lacs MT. The production of Blooms and Billets decreased from 1.12 lacs MT to 0.96 lacs MT. The aggregate sales volume of steel structural was decreased from the level of 1.77 lacs MT last year to 1.49 lacs MT in the current year. Profit after tax stood at Rs. 760.32 lacs as compared to Rs.1113.76 lacs after providing for depreciation Rs.542.46 lacs as compared to Rs.731.82 lacs and tax Rs.272.28 lacs as compared to Rs.357.98 lacs. The EBIDTA has decreased from Rs.2919.62 lacs to Rs.2454.46 lacs, and Profit before tax has decreased from Rs.1572.93 Lacs to Rs.1119.26 Lacs. The gross turnover of the Company stood at Rs.608.13 crores as against Rs.634.80 crores in last financial year declining by 4.20%.

3. REDEMPTION OF PREFERENCE SHARES:

During the year, the last installment of 0% Optionally Convertible Redeemable Preference Shares of Rs.97.23 lacs has been redeemed and consequently related share capital has been reduced.

4. DIVIDEND:

As discussed in previous year, the Company is in planning stage for expansion through various Greenfield, Brown field projects. But in view of current market scenario, significant progress has not taken place in these expansion activities. But management is of the view that when the markets improve, the working on expansion projects can expedite. Currently, Company is also working on technology development to reduce the cost of production which will immensely benefit the company in long run. Such expansion and technology improvements activities will require capital investment. Taking the prudent view, management wants to keep the outside debt at minimum. In view of lesser distributable profit in the year under review, management's view is to keep the available resources intact to strengthen the Company's Operations.

Hence, your directors have taken a prudent decision to not to propose any dividend for the financial year under review.

5. TRANSFER TO RESERVE:

The Company has transferred Rs.152.06 lacs to the General Reserve and Rs.523.15 lacs to Capital Redemption Reserve for the redemption of preference shares out of the amount available for appropriation and an amount of Rs.2,751.19 Lacs is retained in the Profit and Loss Account.

6. 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.

7. CREDIT RATING:

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

8. PUBLIC DEPOSIT:

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

9. SUBSIDIARY:

Your Company has no subsidiary.

10. CORPORATE SOCIAL RESPONSIBILITY:

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

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

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

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

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

11. MANAGEMENT DISCUSSION & ANALYSIS:

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

12. STOCK EXCHANGE:

The annual listing fees for the year 2012-13 has been paid. During the year shares of the Company have been delisted from M.P. Stock Exchange and Jaipur Stock Exchange and it is in the process of complying with de-listing formalities with Hyderabad Stock Exchange & Kolkata Stock Exchange.

13. 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: For Export of Steel Structural - \$138654
Foreign Exchange Outgo: For Import of Consumable Stores - \$81020

14. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Manish Kumar Agrawal and Mr. Atul Garg, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

During the Year Mr. Arvind Nath Jha and Mr. Vinod Puri Goswami has been appointed as a Director of the Company. Mr Dinesh Kumar Porwal and Mr. Arvind Nath Jha resigned from Directorship.

15. DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

The Financial statements are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to us. There are no material departures from prescribed accounting standards in the adoption of the accounting standards.

The Board of Directors accepts responsibility for the integrity and objectivity of these financial statements. The accounting policies used in the preparation of financial statements have been consistently applied. The estimates and judgements related to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs and profits for the year.

We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

16. INSURANCE:

The Company has taken adequate insurance cover for all its assets.

17. CORPORATE GOVERNANCE :

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operations. Your Company complied with Corporate Governance requirements as stipulated under Clause 49 of the Listing Agreement of Stock Exchange. Our work force is committed towards the protection of the interest of the stakeholders including shareholders, creditors, investors, customers, employees etc. Our policies consistently undergo improvements keeping in mind our goal i.e maximization of values of all the stakeholders. The Corporate Governance Practices followed by the Company are given in the Annual Report. A Certificate from M/s. Batra Deepak & Associates, Statutory Auditors of the Company regarding compliances of conditions of Corporate Governance stipulated by Stock Exchange is enclosed with the "Report On Corporate Governance."

18. INVESTOR SERVICES:

Mrs. Jaswinder Kaur Mission Compliance Officer of the Company and its Registrar

M/s. System Support Services are looking after the physical as well as Demat work and also shareholders correspondence, endeavored their best to service the Investors satisfactorily.

19. STATUTORY COMPLIANCE:

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

20. 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 Endeavor 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.

21. ENVIRONMENT AND SOCIAL OBLIGATION:

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

22. 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.

23. 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.

24. COST AUDIT:

In pursuance of Section 233B of the Companies Act, 1956 read with Circular no. 52/26/CAB-2010 the company has appointed M/s S.C. Mohanty & Associates, Raipur as the Cost Auditors to conduct the cost audit for the financial year 2011-12. The approval of the Central Government for the appointment has been received. The Company has reappointed them as Cost Auditors for the financial year 2012-13.

Acknowledgements:

The Board of Directors of the Company wish to express their deep sense of appreciation and proffer their sincere thanks to all the shareholders of the Company.

The Board also wishes to express their sincere thanks to all the esteemed Customers for their support to the Company's products. Board would also like to express its thanks to the bankers of Company for their cordial support.

In the end, the Board would like to place on record their deep sense of appreciation to all the Executives, Officers, Employees, Staff members and workers at the factory. Their active and loyal investment in the Company's working has enabled your Company to show all round diversification of growth.

Place: Raipur

Date: 13th August, 2012

**FOR AND ON BEHALF OF THE BOARD
For, MAHAMAYA STEEL INDUSTRIES LIMITED**

**RAMANAND AGRAWAL
CHAIRMAN**

ANNEXURE: FORM 'A'**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY**

A. Particulars	2011-2012	2010-2011
POWER & FUEL CONSUMPTION		
ELECTRICITY PURCHASED		
Unit (KWH) ROLLING MILL	8,984,809	12,068,176
SMS PLANT	87,895,915	99,157,024
TOTAL UNITS	96,880,724	1,11,125,200
TOTAL AMOUNT	3,80,185,579	3,65,206,260
RATE PER UNIT	3.92	3.29
FURNACE OIL		
Quantity (Kilo Liters)	6,014.380	8,591.500
Total Cost	2,19,443,346	2,33,243,670
Average Rate (Per Liter)	36.49	27.15
B. CONSUMPTION PER UNIT OF PRODUCTION		
Rolling Mill Division		
Production (MT)	1,28,085.350	1,79,783.370
Electricity (Unit)	70.14	67.12
Furnace Oil (Liters)	46.96	47.79
SMS Division		
Production (MT)	96,434.582	1,12,879.344
Electricity (Unit)	911.45	877.55

Note: Production does not include conversion production by outside parties of 29,187.555 MT (Previous Year 30,658.235 MT)

Place: Raipur
Date: 13th August, 2012

BY ORDERS OF THE BOARD
For, MAHAMAYA STEEL INDUSTRIES LIMITED

RAMANAND AGRAWAL
CHAIRMAN

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

From a positive beginning in 2011, the global environment turned adverse in the second half of 2011 owing to the turmoil in the euro zone and monetary imbalances in emerging economies caused mainly by surging commodity prices. Capital flows to developing nations declined by almost half in 2011 compared to 2010.

Europe seemed to enter a recessionary phase. The Euro zone severely impacted economic performance of its trade partners. Growth in several major developing countries (Brazil, India, and to lesser extent Russia, South Africa and Turkey) slowed partly in reaction to domestic policy tightening.

Despite questions being raised by rating agencies on the outlook of the US economy, it delivered a heartening performance with declining unemployment, rising retail sales and growing new home sales, among others.

Outlook

A per World Economic Outlook, global economic growth is expected to slow to 3.5 % in 2012, largely because the euro area economy is expected to trip in to a mild recession in 2012. Growth in emerging and developing economies is expected to average 5.7%-a drop from the 6.2% growth in 2011. Despite a substantial downward revision, developing Asia is still projected to grow at 7.3 % in 2012.

Inflation in the advanced economies is likely to ease to 1.9% in 2012 (2.7% in 2011) and to 6.2% in 2012 in emerging economies (7.1% in 2011) reflecting tempering of commodity prices due to subdued economic growth.

However latent risks of geo-political tensions affecting oil market, disruptions in global bond and currency market arising out of rising budget deficits and weather extremities can prove deterrents to improving global prospects.

The European Union (EU) IS India's largest trading partner. It accounts for almost one-fifth of India's exports. Te European Union accounted for nearly US\$47 billion of India's exports of US\$251 billion in FY 2010-11, making it a larger destination than North America. Further, 75% of these exports are derived from the manufacturing sector. A slowdown in the EU has an adverse impact on India's industrial production and could increase the already high current account deficit. However, robust domestic consumption in India can cushion the impacts to some extent.

Indian Economy:

Managing growth and price stability are the major challenges in macroeconomic policy making. In 2011-12, India found itself in the heart of these conflicting demands without corresponding initiatives towards economic growth.

As a result the Indian economy grew at 6.5% in 2011-12, down from 8.4% in 2010-11. The GDP growth in 2011-12 was the lowest in the past nine years.

Global factors such as euro zone crisis, geopolitical disturbances and weather extremities

contributed to the domestic economic slowdown. Domestic factors like monetary tightening and raising repo rate to control inflation slowed industrial investment and growth.

At the sectoral level, agriculture and allied sectors grew 2.8% in 2011-12 against 7% in 2010-11, the services sector grew 8.9% in 2011-12 against 9.3% in 2010-11, and the industrial sector growth slowed to 3.4% in 2011-12 against 7.2% in 2010-11 and was primarily responsible for the slowdown of India's economic progression. The economy's resilience to shocks was owing to the services sector, which enjoyed the largest share with the most consistent growth.

Industrial growth which crumbled is likely to pickup by government's National Manufacturing Policy to target a 25% share for Manufacturing in GDP is implemented.

The Indian rupee was under stress as overseas investors pared their exposure to Asia's third largest economy, resulting in net inflows remaining under US\$300 million in 2011. Te rupee lost more than 14% of its value during the year, making it one of the worst performing currencies in Asia, eroding India Inc's profitability, widening India's trade deficit and adversely impacting India's Current Account Deficit.

Estimates for 2012-13

The government estimates a 7.6% growth in 2012-13. However inflation will continue to be a significant challenge for the government especially due to the recent hikes in excise duty, service tax, fuel prices and railway freight.

Global Steel Industry:

Global Steel Sector

Capacity	Production	Trade (approx.)	Per Capita Consumption
1,988 MnT	1,527 MnT	291 MnT	215 MnT
+4.7%	+6.8%	+5.8%	+4.4%

Source: World Steel Association / ISSB

The Steel sector indicates a region's economic health. Over the last decade, the sector has grown phenomenally, primarily due to growth in the BRIC (Brazil, Russia, India and China) nations. Since 2001, the sector witnessed a major rally and downturn, but overall, global steel production grew at a compounded rate of around 6.0% while consumption increased at a CAGR 5.9%.

Over the last decade there has been a structural shift in the demand for steel from developed economies to emerging economies. The demand has shifted towards emerging markets primarily due to strong economic growth coupled with higher share in fixed assets investments as a percentage of GDP.

Countries	Year	Apparent per capita crude steel consumption growth average (%)	Per Capita GDP growth average (%)
China	1991-00	9.50	9.32
	2001-10	13.60	9.88
India	1991-00	2.13	3.52
	2001-10	6.24	6.10
United States	1991-00	1.67	2.17
	2001-10	(2.40)	0.62
Germany	1991-00	(0.27)	0.37
	2001-10	1.38	0.99
Japan	1991-00	(1.90)	0.93
	2001-10	(0.76)	0.65

Source: World Steel Association

Indian Steel Industry:

The Indian Steel Industry is largely iron based through the Blast Furnace (BF) or the Direct Reduced Iron (DRI) route.

The Indian Steel Sector witnessed a rapid growth over the past decade, domestic crude steel capacity more than doubled to reach 89 mtpa in the fiscal ended March 2012.

India's steel industry is highly consolidated, about 60% of the crude steel capacity is resident with integrated steel producers (ISPs), a majority of ISPs are located in eastern India, contributing to 50% of total ISP capacity. But the changing ratio of hot metal to crude steel production indicates the increasing presence of secondary steel producers manufacturing steel through the scrap route, enhancing their dependence on imported raw material.

Demand and supply

In 2011, India emerged as the world's fourth-largest steel producer after China, USA and Japan.

India produced 74 MnT of crude steel in 2011-12 against 71 million tones in 2010-11 at an average capacity utilization of 83% in 2011-12, 91% in 2010-11, the steel demand in the country grew 6.8% in 2011-12, in accordance with the economic growth of the country.

Government Facilitation:

- The government announced favorable policies to accelerate India's steel sector growth:
- Abolished export duty on pellets, showcasing the need to add value to finite natural resources.
- Imposed a 30% export duty on iron ore, discouraging the flight of key resources.

- Imposed 15% export duty on iron and steel melting scrap, growing the availability of the critical input for secondary steel sector.
- Reduced import duty from 7.5% to 2.5% on plant and machinery for iron ore beneficiation and pelletisation.
- Increased import duty from 5% to 7.5% on selected non-alloy flat steel products to act as an deterrent for dumping of steel by other countries in India.
- Exempted import duty on coking coal / met coke, increasing cost-effective sourcing options of key raw materials.

Opportunities and Threats:

The Indian Steel Industry is poised for greater growth which will catapult India to the league of the highest Steel consuming nations of the World. The New Industrial policy has opened up the Indian Iron and Steel Industry for private investment by exempting it from compulsory licensing. While most of the existing units are being modernized, a large number of new steel plants have also come up in different parts in the last few years.

Opportunities

- Growing domestic Demand, Unexplored rural market and Rapid Urbanization.
- Increasing consumption of steel in all sector and also in Eleventh Five year plan (2007-12) has allocated investment of USD 490 Billion for core Infra sector such as power, road, railways, ports & airports.
- Strong growth in steel heavy industry eg: the automotive industry & within the infrastructure, oil & gas.
- Rising cost of coal & crude oil resulted in use of gas. Companies are investing in pipeline network for gas and Setting up refineries in pipeline network.
- Fourth largest Iron ore reserves after Russia. Brazil & Australia and also Third largest Pool of technical manpower next to USA & USSR.
- Increase investment by state government in water & sewage pipes.
- Pre-Engineered building (PEB) in industrial, construction, gained popularity.
- With the improvement in the economic recessions in the west, the potential for growing demand is high.
- Indian Steel producer looking for overseas acquisitions in steel as well as raw material and also Increasing interest of foreign steel producers in India.

Threats

- China becoming net exporter.
- Protection is in the west Dumping by competitors.
- Global economic slowdown.
- Market Fluctuation.
- Higher Duties & taxes on production.
- Technological change/obsolesces.
- Low import duty on steel.
- Substitute : Steel being replaced by Alum in Auto Industry.
- Increase in power tariff.

Risk and Concerns:

The domestic steel industry always runs on risk of normal industry cycle such as:

- Unremunerative Prices.
- Endemic deficiencies (poor quality of sponge).
- High cost of capital.
- Low labour productivity.
- High cost of Basic Input & Services.
- Poor quality of Basic infrastructure like road, port, etc.
- Lack of expenditure in R & D.
- Delay in absorption in technology by existing units.
- Low quality of steel & steel Products.
- Lack of facilities to produce various shapes & quality of finished steel on demand.
- Limited access to good quality of iron ore normally earmarked for exports.
- High level of taxation.
- Energy supply.
- Inefficient transport system.

Your Company is exposed to the normal Industry Risk Factors and manages these risks by prudent business and risk management practices. The Company has been taking continuous modernization programs to maintain efficient operation and its activities.

Internal Control System and their Adequacy:

The Company maintains the system of internal controls designed to provide high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with laws and regulations. The Company maintains periodical internal checks and conduct adequate internal audit, which provide safeguards and proper monitoring and vetting of transactions. ISO-9001:2008 certification has been obtained. Necessary quality control systems and procedures have been established. Periodical internal checks and audits are conducted by the Management and Internal Auditors. Upgradation wherever necessary are carried out at frequent intervals. There are clear demarcation of roles and responsibilities at various levels of operations.

Company's Operation :

During the year under review the direct sales of your Company is Rs.608.13 Crores which seems to be less than last year's total sales of Rs.634.80 Crores. As a matter of fact, last year we had the conversion contract with SAIL and that contributed nearly 5% of the total turn over, which we don't have this year. Thus, your Company has done better this year, while considering the direct sales.

During the year under review the Company has commissioned a new Induction Furnace with capital expenditure of about Rs.3 crores. This will help in coming years to increase the steel production in steel melting shop. This in-house raw materials will cater the requirement of existing Structural Rolling Mill, there by reducing the consumption cost on raw materials and will result in increased profit.

We are planning to install Ladle Refining Furnace in Steel Melting Shop within a year to over

come the scarcity of quality raw-material and to produce better quality materials. After this, Company will go for approval with organizations like Power Grid Corporation of India Ltd, Railways and many other organizations in public & private sector for supply of billets, blooms and Structural Steels.

During this year the Company has added new customers in its existing list of clientele like **Central Organization for Railway Electrification, Chhattisgarh State Power Distribution/Generation and Transmission Company Ltd, Reliance Group of Companies, ACC-AMBUJA Group, Ultratech Cement, TRF Ltd, NTPC Ltd, L&T MHI Boilers Pvt. Ltd.** In association with these new customers along with existing customers, the Company will do better business and will generate more revenue in coming years.

At present we are having orders of many companies and MOU with BHEL for the 2nd quarter of the year which may be extended for further period of 2 years.

As discussed in our last Annual General Meeting, during the year under review your Company has added new Continuous Casting Machine to increase the production capacity of Steel Melting Shop, subsequently fulfill the requirement of Rolling Mill and in turn will increase the production of end product.

Human Resources:

During the period under review the Employee relations at job sites remained cordial. Training programs are conducted internally for staff and workmen. Training is imparted for updating of manufacturing techniques/ processes. Personnel are sponsored for external programmers on need based. Number of employees as on 31st March, 2012 was 810.

Cautionary Statement:

The Management Discussions and Analysis describe Company's projections, expectations or predictions and are forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

ANNEXURE 'B'**CORPORATE GOVERNANCE****I. Company's Philosophy:**

Corporate Governance is a value based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs, and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership, and governance of the Company.

Our Corporate Governance philosophy is based on the following principles:

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

The Board of Directors is at the core of our Corporate Governance Practice and oversees how the management serves and protects the long term interests of all our stakeholders. We believe that an active, well informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

II. 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, Managing Director, Executive Directors, and 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 half of the Board comprises Independent directors. The Management is headed by Chairman 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.

Composition of the Board:

The Board of Directors of your Company comprises of 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, 2012

Directors	Category	Committee Memberships in Board of other Companies	Committee Chairmanships in Board of other Companies	Directorships in other Companies
Mr. Ramanand Agrawal	Executive Director	Nil	Nil	8
Mrs. Gulabdevi Agrawal	Executive Director	Nil	Nil	2
Mr. Rajesh Agrawal	Executive Director	1	1	5
Mr. Vinod Puri Goswami	Executive Director	Nil	Nil	Nil
Mr. Niraj Kansal	Non Executive Independent Director	Nil	Nil	Nil
Mr. Gitesh Agrawal	Non Executive Independent Director	Nil	Nil	1
Mr. Manish Kumar Agrawal	Non Executive Independent Director	Nil	Nil	Nil
Mr. Atul Garg	Non Executive Independent Director	Nil	Nil	Nil

Board Meetings and Attendance:

During the financial Year 2011-12, The Board met 11 times on 23rd April 2011, 28th May 2011, 4th July 2011, 10th August 2011, 05th September 2011, 30th September 2011, 11th November 2011, 29th November 2011, 14th February 2012, 19th March 2012 and 31st March 2012. 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 Third Annual General Meeting (AGM) of the Company was held on 30th September, 2011. The Board has unfettered right to obtain and access to any information within the Company and to any of the Company's employees. As a practice of good Corporate Governance the Board discussed about the issues pertaining to the Company's business prospects and other significant issues occurred during the year.

Directors	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Mr. Ramanand Agrawal	11	11	Yes
Mrs. Gulabbai Agrawal	11	11	Yes
Mr. Rajesh Agrawal	11	11	Yes
Mr. D.K. Porwal**	10	10	Yes
Mr. Neeraj Kansal	11	8	Yes
Mr. Gitesh Agrawal	11	8	Yes
Mr. Manish Kumar Agrawal	11	9	Yes
Mr. Atul Garg	11	6	Yes
Mr. Arvind Nath Jha*, **	7	7	Yes
Mr. Vinod Puri Goswami*	8	8	Yes

*Appointed on 04.07.2011

**Resigned on 19.03.2012

III. 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 Clause 49 of the Listing Agreement.

During the year, the Audit Committee met Five times to deliberate on various matters. The meetings were held on 18th May 2011, 1st August 2011, 31st October 2011, 1st February 2012, and 19th March 2012.

The composition and attendance are as follows:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Neeraj Kansal	5	5
Mr. D.K. Porwal*	4	4
Mr. Manish Kumar Agrawal	5	5
Mr. Gitesh Agrawal**	1	1

*Resigned on 19.03.2012

**Appointed on 19.03.2012

Mr. Neeraj Kansal is the Chairman of the Committee.

Mr. Manish Kumar Agrawal, Mr. D.K. Porwal and Mr. Gitesh Agrawal are the members of the Committee.

During the year, on 19th March, 2012 Mr. D.K. Porwal had resigned from the directorship of the Company and is terminated from the membership of the Audit Committee and in his place Mr. Gitesh Agrawal, Non Executive Independent director of the Company is appointed as a new member of the Committee with effect from 19th March, 2012.

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.
 - (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.

IV. Remuneration Committee:

Composition, Meetings, attendance during the year

A Remuneration Committee has been constituted by the Board of Directors to review and/or determine the remuneration package of the Executive Directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the Stock Exchanges.

During the year, the Remuneration Committee met two times to deliberate on various matters. The meetings were held on 11th July 2011 and 12th January, 2012.

The composition and attendance are as follows:

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

Mr. Gitesh Agrawal is the Chairman of the Committee

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

Remuneration to Directors:

(a) **Details of Remuneration for the Year 2011-12.**

Director	Salary for the year	Perquisites (Computed under IT Act)
Mr. Ramanand Agrawal	48.00	Nil
Mr. Rajesh Agrawal	48.00	Nil
Mrs. Gulab Bai Agrawal	36.00	Nil
Mr. Vinod Puri Goswami*	3.24	Nil

*Appointed on 04.07.2011

(b) **Non-Executive Director:**

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

V. Number of shareholders complaint(s) received, solved and pending:

Investor grievances received and attended by our RTA during the year 2011-12 and pending as on 31.03.2012.

Complaints as on 1 st April 2011	Nil
Received during the Year	11
Resolved during the Year	11
Pending as on 31 st March, 2012	Nil

VI. No. of Shares held by Directors:

The shareholding of the Directors as on 31st March 2012 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
Vinod Puri Goswami	Nil	-----
Neeraj Kansal	Nil	-----
Gitesh Agrawal	Nil	-----
Manish Kumar Agrawal	Nil	-----
Atul Garg	Nil	-----

VII. 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, Nav Shakti, 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.mahamayagroup.in

VIII. 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
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.)	29 th Sep. 2009	11.00 am
2009 - 2010	At the Registered Office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)	28 th Sep. 2010	11.00 am
2010-2011	At the Registered Office of the Company located at Plot B/8-9, Sector - C, Urla Industrial Area, Sarora, Raipur - 493 221 (C.G.)	30 th Sep. 2011	1.30 pm

- b) No Extra-Ordinary General Meeting of the Shareholders was held during the year.
- c) No Postal Ballot was conducted during the financial year 2011-12. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

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

Year	Special Resolutions Passed
2008-09	<p>1) Special Resolution passed u/s 94 and other applicable provisions of the Companies Act 1956, regarding reclassification of authorized capital structure.</p> <p>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.</p> <p>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.</p> <p>4) Special Resolution passed u/s 80, 80A, 81 and other applicable provisions of the Companies Act 1956 regarding issue and offer up to 1,00,00,000 (one crore) 8% Redeemable Non Convertible, Non Cumulative Preference Shares of Rs.10/- each. aggregating Rs.10,00,00,000/- (Ten Crore) at a premium of Rs.10/- per share.</p> <p>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.1,97,23,000/- at a suitable discount rate as allowed by IDBI.- the preference Shareholder, which are due for redemption being Rs.1,00,00,000/- on 24th August 2010 and 9723000 on 24th August 2011.</p>
2009-10	<p>1) Special Resolution passed u/s 198,269,309,310 Schedule XIII and other applicable provisions of the Companies Act 1956 regarding the appointment of Shri. Rajesh Agrawal, Executive Director of the Company as Managing Director of the Company 1st October,2010 to 1st October 2015.</p> <p>2) Special Resolution passed for altered the 'Clause V' of the Memorandum of Association regarding increased the authorized share capital from 50 crores to 60 crores.</p> <p>3) Special Resolution passed for altered the 'Article 4a' of the Article of Association regarding increased the authorized share capital from 50 crores to 60 crores.</p> <p>4) Special Resolution passed under Securities Contracts (Regulation) Act, 1956, and the rules framed there under, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003 for delist the Equity shares of the Company Jaipur, Calcutta, Madhya Pradesh, Hyderabad Stock Exchange.</p>
2010-11	No Special Resolution was passed.

ix. Disclosures:

There have been no materially significant related party transactions, pecuniary transaction or relationships between the Companies and its directors for the year ended 31st March, 2012 that

may have a potential conflict with the interests of the Company at large.

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

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

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

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

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

CEO Certification:

The Chairman 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, 2012 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.

Code of Conduct:

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

Code of Conduct for Prevention of Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has a code of conduct for prevention of Insider trading in the shares of the Company. The Code interalia,

prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to Company.

X. General Shareholder's Information:

Twenty Fourth Annual General Meeting

Date:	29 th September, 2012
Time:	01:30 pm
Venue:	At the registered office of the Company located at B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur 493 221 (C.G.)
Financial Year:	1 st April 2011 to 31 st March, 2012
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 29 th September, 2012 .
Book Closure Date:	25 th September, 2012 to 29 th September, 2012 (both days inclusive)

Financial Calendar Period (tentative)

For the Half year ending 30 th September, 2012	Middle of Nov, 2012
For the Quarter ending 31 st December, 2012	Middle of Feb, 2013
For the Year ending 31 st March, 2013	End May, 2013

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

Listing of Equity Shares on Stock Exchanges: Bombay Stock Exchange Ltd.

Note: The Share of the Company are also listed on Calcutta, Hyderabad Stock Exchanges, and it is in under process for delisting.
During the year shares of the Company have been delisted from M.P. Stock Exchange and Jaipur Stock Exchange.

Stock Code
Bombay Stock Exchange Ltd. 513554

MARKET PRICE DATA: Monthly high/low of market price of the Company's Equity Shares traded on the Bombay Stock Exchange Limited (BSE) during the last financial year was as under:

Month	Open Price	High Price	Low Price	Close Price
Apr-11	43.60	43.60	31.25	31.25
May-11	31.50	34.40	29.80	33.50
Jun-11	32.00	32.00	24.80	24.80
Jul-11	26.00	28.00	25.95	26.50
Aug-11	25.30	25.30	20.65	23.60
Sep-11	22.70	26.75	21.80	23.40
Oct-11	22.25	31.05	21.45	29.50
Nov-11	28.05	36.95	28.05	28.75
Dec-11	27.35	27.35	23.70	23.70
Jan-12	24.00	24.15	23.00	23.10
Feb-12	22.05	25.20	22.05	23.90
Mar-12	22.75	22.75	21.35	22.40

ISIN No.

INE451L01014

Annual Listing fee:

The annual listing fees for the year 2012-13 has been paid and the Company is in process of complying with de-listing formalities with other Stock Exchanges. (Kolkata & Hyderabad Stock Exchange).

Share Transfer System:

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

Registrar and Share Transfer Agent:

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

Distribution of Shareholding:

As on March 31, 2012												
Category	No. of Shares			% of Shares			No. of Holders			% of Holders		
	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total
1-500	42700	456980	499680	0.315	3.367	3.682	162	2109	2271	5.867	76.385	82.253
501-1000	43000	215050	258050	0.317	1.585	1.902	48	236	284	1.739	8.548	10.286
1001-2000	32800	124000	156800	0.242	0.914	1.155	21	75	96	0.761	2.716	3.477
2001-3000	29500	53500	83000	0.217	0.394	0.612	11	20	31	0.398	0.724	1.123
3001-4000	16300	21400	37700	0.120	0.158	0.278	5	6	11	0.181	0.217	0.398
4001-5000	29200	73900	103100	0.215	0.545	0.760	6	15	21	0.217	0.543	0.761
5001-10000	82400	75700	158100	0.607	0.558	1.165	12	9	21	0.435	0.326	0.761
10001-100000	137400	132000	269400	1.012	0.973	1.985	8	4	12	0.290	0.145	0.435
100001 & above	10208570	1796000	12004570	75.227	13.235	88.461	11	3	14	0.398	0.109	0.507
Total	10621870	2948530	13570400	78.272	21.728	100	284	2477	2761	10.286	89.714	100

Shareholding Pattern as on 31st March, 2012

Category	March 31, 2012	
	No. of shares held	% of Holding
Promoter in his individual capacity	41,21,380	30.37
Promoter in his Body Corporate Capacity	22,83,047	16.82
Promoter Director's Relatives	26,56,443	19.58
Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non Government Institutions)	100	0.00
Private Corporate Bodies	30,17,000	22.23
Indian Public	14,92,430	11.00
Total	1,35,70,400	100.00

Dematerialization of Shares and Liquidity as on 31st March, 2012.

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The Company's ISIN no. is INE451L01014.

Details of shares held in dematerialized and physical form as on 31st March, 2012

Particulars	No. of Shares	Percentage	Liquidity (No. of Shareholders)	Percentage
NSDL	1,04,62,870	77.10%	168	6.08%
CDSL	1,59,000	1.17%	116	4.20%
PHYSICAL	29,48,530	21.73%	2,477	89.72%
TOTAL	1,35,70,400	100%	2,761	100%

Address for Correspondence:

Mahamaya Steel Industries Ltd.
 B/8-9, Sector-C, Urla Industrial Area
 Sarora, Raipur (Chhattisgarh)-493221
 Telephone : 0771 - 4006666
 Fax : 0771-4006611
 E-mail : cs@mahamayagroup.in

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

Name	Telephone No.	Email ID	Fax No.
Mrs. Jaswinder Kaur Mission	0771-4228067	cs@mahamayagroup.in	0771-4005566 0771-4228066

XI. Particulars of unclaimed dividend

Financial Year	Date of declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to the IEPF	Amount of Unclaimed Dividend (as on 31.03.2012) (Rs.)
2006-07	28.09.2007	30.10.2014	31.10.2014	1,69,315
2007-08	11.08.2008	10.09.2015	11.09.2015	2,67,810
2008-09	29.09.2009	29.10.2016	30.10.2016	2,64,565
2009-10	28.09.2010	28.10.2017	29.10.2017	1,99,200

**CODE OF CONDUCT
DECLARATION**

To,
The Members,
Mahamaya Steel Industries Limited

In accordance with Clause 49 sub clause I (D) I, Ramanand Agrawal, Chairman of Mahamaya Steel Industries Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance to their respective Code of Conduct as applicable to them for the financial year ended 31st March, 2012.

Place: Raipur
Date: 13th August, 2012

Ramanand Agrawal
Chairman

CEO CERTIFICATION

The Board of Directors,
Mahamaya Steel Industries Limited

I certify that:

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

Place: Raipur
Date: 13th August, 2012

Rajesh Agrawal
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Mahamaya Steel Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by **Mahamaya Steel Industries Ltd. (Formerly known as Rajesh Strips Limited)** for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. ***It is neither an audit nor an expression of opinion on the financial statements of the Company.***

As informed to us and on the basis of review of records we state that no investor grievance is pending for a period exceeding one month against the Company.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with by the Company except that position of investor's grievances was not put up on the website.

Place: Raipur
Date: 13th August, 2012

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

[DEEPAK BATRA]
PARTNER
Membership No.74052

AUDITORS' REPORT

To,
**The Members of,
MAHAMAYA STEEL INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of MAHAMAYA STEEL INDUSTRIES LIMITED, (the Company) as at 31st March, 2012, 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.

1. We conducted our audit in accordance with the Auditing 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) 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 there on, except for accounting standard 15, (for detail please refer note 1 policy no 13 of notes on accounts), are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956;
 - e) We draw attention towards Note on Account 30 (a) and (b) dealing with treatment of variation observed during search by Income Tax department and Excise department respectively.
 - f) 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, 2012 from

being appointed as a director in terms of sec. 274(1)(g) of the Companies Act, 1956.

g) 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 there on, but subject to para (d) and (e) above, 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 2012;
- (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.

Place: Raipur

Date: 13th August, 2012

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

[DEEPAK BATRA]
PARTNER
Membership No.74052

ANNEXURE TO AUDITORS' REPORT

RE : MAHAMAYA STEEL INDUSTRIES 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. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records. However, we draw attention to note no 30 a and b of notes on accounts dealing with search operations conducted by Income tax department and Excise department, during the year under review the company has contested variation pointed out by Income Tax department and Excise department. While no entry in books of accounts have been made in respect of differences pointed out by Income Tax department, it has given effect to differences pointed out by the Excise Department.

3. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has granted loan of Rs.17.00 lacs during the year to one Company. There was no outstanding balance as at 31st March, 2012.
 - 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 granted by the Company.
 - d. The company has taken loan of Rs.1,535.00 lacs during the year from three companies. There was no outstanding balance as at 31st March 2012.
 - e. 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.

- f. 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.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, transactions in pursuance of contracts or agreements, entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to 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. The cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act 1956 have not been seen by us. We have been informed that applicable cost audit of such records is still in progress.
9. a. According to the records of the Company and based on information and explanations made available to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund (if any), Employees' State Insurance, Income-Tax, Sales-Tax, Commercial Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities (if any). According to the information and explanations given to us, no undisputed amounts of nature mentioned above payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs.24.80 Lacs, that have not been deposited on account of matters pending before the appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
01.	Sales Tax Statute of the State	Sales/ Commercial Tax	4.98	1990-1991	Before the High Court of Chhattisgarh, Bilaspur
02.	Central Excise Act, 1944	Excise Duty	0.90	2006-2007	Central Excise and Service Tax Appellate Tribunal
03.	Central Excise Act, 1944	Excise Duty	18.92	2005-2006 2006-2007 2007-2008	Asstt. Commissioner (Appeal)
		TOTAL	24.80		

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 the 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 have been held by the Company in its own name.
15. As informed to us, the Company has not given any guarantees for loan taken by a body corporate from banks or any other financial institutions.
16. As informed to us, the Company has raised new term loans from banks during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized money from short-term sources towards repayment of long-term borrowings acquisition of fixed assets and for long term investments.
18. During the year, the Company has not made preferential allotment of 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.

Place: Raipur

Date: 13th August, 2012

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

[DEEPAK BATRA]
PARTNER
Membership No.74052

MAHAMAYA STEEL INDUSTRIES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2012

Particulars		Note No.	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
	(a) Share Capital	2	4,557.32	4,654.55
	(b) Reserves and Surplus	3	7,288.69	6,528.37
(2)	Non-Current Liabilities			
	(a) Long-term borrowings	4	1,152.51	1,365.44
	(b) Deferred tax liabilities (Net)	5	653.04	566.39
	(c) Long term provisions	6	50.86	34.53
(3)	Current Liabilities			
	(a) Short-term borrowings	7	4,042.72	3,899.80
	(b) Trade payables	8	832.52	495.01
	(c) Other current liabilities	9	2,346.96	2,806.92
	(d) Short-term provisions	10	697.47	646.30
	Total		21,622.09	20,997.31
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	8,727.45	8,887.34
	(ii) Capital work-in-progress		0.00	81.71
	(b) Non-current investments	12	240.01	240.01
	(c) Long term loans and advances	13	1,044.03	581.14
(2)	Current assets			
	(a) Inventories	14	6,354.14	5,745.74
	(b) Trade receivables	15	3,025.42	3,765.07
	(c) Cash and Cash Equivalents	16	395.25	463.07
	(d) Short-term loans and advances	17	1,683.19	1,175.17
	(e) Other current assets	18	152.60	58.06
	Total		21,622.09	20,997.31

SEE ACCOMPANYING NOTES (1 TO 30) TO THE FINANCIALS STATEMENTS

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

Deepak Batra
Partner
Membership No. 074052

Date: 13th August, 2012
Place: Raipur

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Date: 13th August, 2012
Place: Raipur

MAHAMAYA STEEL INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars		Note No.	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
I.	Revenue from operations	19	53,982.40	56,653.54
II.	Other Income	20	77.69	48.22
III.	Total Revenue (I + II)		54,060.09	56,701.76
IV.	Expenses:			
	Cost of materials consumed	21	44,336.63	45,701.75
	Changes in inventories of finished goods	22	(960.04)	88.83
	Employee benefit expense	23	101.79	95.24
	Finance costs	24	795.79	605.06
	Depreciation	11	542.46	731.82
	Other expenses	25	8,158.14	7,887.34
	Total Expenses		52,974.77	55,110.04
V.	Profit before exceptional and extraordinary items and tax		1,085.32	1,591.72
VI.	Exceptional Items	26	33.94	(18.79)
VII.	Profit before tax		1,119.26	1,572.93
VIII.	Tax expense:			
	(1) Current tax		272.30	357.79
	(2) Tax related to earlier year		(0.02)	0.18
	(3) Deferred tax		86.66	101.20
IX.	Profit/(Loss) for the period from continuing operations		760.32	1,113.76
X.	Profit/(Loss) for the period		760.32	1,113.76
XI.	Earning per equity share:			
	(1) Basic		5.60	8.21
	(2) Diluted		5.60	8.21

SEE ACCOMPANYING NOTES (1 TO 30) TO THE FINANCIALS STATEMENTS

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

Deepak Batra
Partner
Membership No. 074052

Date: 13th August, 2012
Place: Raipur

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Date: 13th August, 2012
Place: Raipur

MAHAMAYA STEEL INDUSTRIES LIMITED**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR 2011-12**

Particulars	2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
i. Net Profit before Tax	1,119.26	1,572.94
Adjustment for:-		
Depreciation	542.46	731.82
Interest charged to Profit and Loss Account	795.79	605.06
Provision for Income Tax	(358.94)	(459.17)
(Profit)/Loss on sale of Fixed Assets	(0.35)	1.35
ii. Operating Profit before Working Capital changes	2,098.22	2,451.99
Adjustment for :-		
(Increase) / Decrease in Trade Receivables	739.65	173.34
(Increase) / Decrease in Inventories	(608.41)	13.13
(Increase)/decrease in other Receivable	(697.96)	(507.87)
Increase/ (decrease) in Trade Payables and Other liabilities	47.24	(579.70)
CASH FLOW FROM OPERATING ACTIVITIES	1,578.74	1,550.89
TOTAL CASH AVAILABLE FROM OPERATING ACTIVITIES (A)	1,578.74	1,550.89
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets and capital WIP and pre operative exp.	(306.76)	(977.49)
Sale of Fixed Assets	6.27	9.40
Investment in Shares / Share Application Money	(282.00)	(10.00)
NET CASH USED IN INVESTING ACTIVITIES (B)	(582.49)	(978.09)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Long Term bank Borrowings	(113.97)	(619.31)
Increase/(decrease) in Short- Term bank borrowings	497.91	505.19
Interest and Bank charges Paid	(795.79)	(605.06)
Unsecured Loan Received / (Repaid)	(355.00)	355.00
Redemption of Preference Shares	(97.23)	(100.00)
Share application money refunded	(200.00)	0.00
NET CASH USED IN FINANCING ACTIVITIES (C)	(1,064.08)	(464.19)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(67.82)	108.61
OPENING BALANCE OF CASH & CASH EQUIVALENTS	463.07	354.46
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	395.25	463.07

NOTES: 1) Figures in the brackets represent outflows.

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

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

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

Deepak Batra
Partner
Membership No. 074052

Date: 13th August, 2012
Place: Raipur

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Date: 13th August, 2012
Place: Raipur

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**1) Basis of Preparation of Financial Statements**

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

2) Use of Estimates

The preparation of financial statements require estimates & assumptions to be made that affect the reported amount of asset and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized

3) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of credit under Cenvat/VAT schemes), taxes, incidental expenses, erection / commissioning expenses, including financing cost till commencement and regularization of commercial production, net charges on foreign exchange contracts and adjustments (if any) arising from exchange rate variation relating to borrowings attributable to the fixed assets are capitalized, less accumulated depreciation.

4) Capital Work in progress

It is stated at cost.

5) Depreciation and Amortisation

- i) Depreciation on fixed assets is provided on straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions/deletions to fixed assets is being provided on pro-rata basis from/to the month of acquisition/disposal. Fixed assets of like nature have been clubbed under broad descriptions given in the Balance Sheet.
- ii) Amortization is not being made on leasehold land being insignificant amount. At net realisable value.

6) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is normally charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

7) Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

8) Investments

Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

9) Inventory Valuation

Inventories are valued at lower of cost or net realizable value. Cost of Finished goods is determined by including direct materials, labour, other expenses and a proportion of overheads based on normal operating capacity. Cost of finished goods has been determined on weighted average and includes excise duty. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost of raw materials stores and spares, are determined on FIFO basis. By products are valued at net realizable value.

10) Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain/loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

11) Excise Duty

Excise Duty is accounted on the basis of, both, payments made in respect of goods cleared as also provision made for finished goods in stock.

12) Recognition of Income and Expenditure

Mercantile method of accounting is employed unless otherwise specifically stated

elsewhere in this schedule. However, where the amount is immaterial/negligible and/or establishment of accrual/determination of amount is not possible, no entries are made for the accruals.

13) Employee's Retirement Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

14) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets (if any). A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

15) Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carry forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

16) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are generally not provided for in books of account and separate disclosure is made in "Notes on Accounts". Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE 2 SHARE CAPITAL

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Authorised:		
1,50,00,000 (P.Y.1, 50,00,000) Equity Shares of Rs.10/- each	1,500.00	1,500.00
30,00,000 (P.Y. 30,00,000) Preference Shares of Rs.10/- each	300.00	300.00
4,20,00,000 (P.Y. 4,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of Rs.10/- each	0.00 4,200.00	0.00 4,200.00
	6,000.00	6,000.00
Issued:		
1,35,76,000 (P.Y.1, 35,76,000) Equity Shares of Rs.10/- each	1,357.60	1,357.60
Nil (P.Y. 9,72,300) Optionally Convertible Redeemable Preference Shares of Rs.10/- each	0.00 0.00	97.23 0.00
3,20,00,000 (P.Y. 3,20,00,000) 8% Redeemable Non Convertible Non Cumulative Preference shares of Rs.10/- each	0.00 3,200.00	0.00 3,200.00
	4,557.60	4,654.83
Subscribed:		
1,35,70,400 (P.Y.1, 35,70,400) Equity Shares of Rs.10/- (Ten) each	1,357.04	1,357.04
Nil (P.Y. 9,72,300) Optionally Convertible Redeemable Preference Shares of Rs.10/- (Ten) each	0.00	97.23
3,20,00,000 (P.Y. 3,20,00,000) 8% Redeemable Non Convertible Preference shares of Rs.10/- (Ten) each	3,200.00	3,200.00
	4,557.04	4,654.27
Add: 5600 Forfeited Equity Shares of Rs 10/- each partly paid Rs 5/- each	0.28	0.28
Total	4,557.32	4,654.55

NOTE 2a RECONCILIATION OF THE NUMBER OF EQUITY AND PREFERENCE SHARE

Reconciliation of the number of shares outstanding at the beginning and at the end of the year:		
(a) Equity Shares:		
No. of shares outstanding at the beginning of the year	1,35,70,400	1,35,70,400
No. of shares outstanding at the end of the year	1,35,70,400	1,35,70,400
(b) Optionally Convertible Redeemable Preference Shares:		
No. of shares outstanding at the beginning of the year	9,72,300	19,72,300
No. of shares redeemed during the year	9,72,300	10,00,000
No. of shares outstanding at the end of the year	-	9,72,300
(C) 8% Redeemable Non Cumulative Non Convertible Preference Shares:		
No. of shares outstanding at the beginning of the year	3,20,00,000	3,20,00,000
No. of shares outstanding at the end of the year	3,20,00,000	3,20,00,000

NOTE 2b NUMBER OF SHARES HELD BY EACH SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	Number of shares as at 31 st March, 2012	Number of shares as at 31 st March, 2011
Equity Shares:		
Abhishek Steel Industries Ltd.	1,349,000	1,349,000
Gulab Bai Agrawal	1,082,082	1,082,082
Rajesh Agrawal	899,510	899,510
Ramanand Agrawal	2,139,788	2,139,788
Ramanand Agrawal (HUF)	797,300	797,300
Rekha Agrawal	777,400	777,400
Mahalaxmi TechnoCast Limited	1,857,000	1,857,000
Preference Shares:		
Escort Finvest Private Limited	23,175,000	23,175,000
Antriksh Commerce Private Limited	8,825,000	8,825,000

NOTE 3 RESERVES AND SURPLUS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Capital Redemption Reserve:		
As per last Balance Sheet	1,158.13	718.47
Additions during the year	523.15	539.67
Less: Transfer to General Reserve	(97.23)	(100.00)
	1,584.05	1,158.14
Securities Premium Account:		
As per last Balance Sheet	1,000.00	1,000.00
	1,000.00	1,000.00
Capital Investment Subsidy:		
As per last Balance Sheet	5.00	5.00
	5.00	5.00
General Reserve:		
As per last Balance Sheet	1,699.16	1,376.40
Add: Transfer from Capital Redemption Reserve	97.23	100.00
Add: Transfer from Profit & Loss Account (Surplus)	152.06	222.75
	1,948.45	1,699.15
Surplus:		
As per last Balance Sheet	2,666.08	2,314.74
Add: Profit/(Loss) for the period	760.32	1,113.76
Less: Appropriations	0.00	0.00
Transfer to General Reserve	152.06	222.75
Transfer to Capital Redemption Reserve	523.15	539.67
	2,751.19	2,666.08
Total	7,288.69	6,528.37

NOTE 4 LONG TERM BORROWINGS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Secured		
Term Loans from banks , Secured (Secured by way of First pari passu charge on assets of the Company and personal guarantee of some of the directors)	1,152.51	1,365.44
Total	1,152.51	1,365.44

NOTE 4a DETAILS OF REPAYMENT OF TERM LOAN

Lender	Nature of facility	Terms of repayment
Uco Bank, Mid Corporate Branch, Raipur (Term Loan-1)	Term Loan	Monthly instalments of Rs. 28.34 Lacs
Uco Bank, Mid Corporate Branch, Raipur (Term Loan-2)	Term Loan	Quarterly Instalments of Rs. 27.50 Lacs
Andhra Bank, Raipur (Term Loan-1)	Term Loan	Monthly instalments of Rs. 23.18 Lacs
Andhra Bank, Raipur (Term Loan-2)	Term Loan	Quarterly Instalments of Rs. 22.50 Lacs

NOTE 5 DEFERRED TAX LIABILITIES (NET)

Particulars	31 st March, 2012 (Rs. In Lacs)	31 st March, 2011 (Rs. In Lacs)
Opening Deferred Tax Liability (Net)	566.38	465.18
Add: Deferred Tax liability	89.40	102.97
Less: Deferred Tax Assets		
Disallowances under the Income Tax Act	13.74	8.61
	642.04	559.54
Add: Reversal of Deferred Tax Assets	11.00	6.85
Total	653.04	566.39

NOTE 6 LONG- TERM PROVISIONS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Provision for Gratuity	50.86	34.53
Total	50.86	34.53

NOTE 7 SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Secured		
Working Capital facilities from Banks		
Cash Credit facilities	2,980.35	2,300.69
Letter of Credit facilities	1,062.37	1,244.11
(Secured by way of First pari passu charge on assets of the Company and personal guarantee of some of the directors.)		
Unsecured		
From related parties	-	220.00
From other	-	135.00
Total	4,042.72	3,899.80

NOTE 8 TRADE PAYABLES

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Raw Materials	675.08	268.46
Stores and Expenses	157.44	226.55
Total	832.52	495.01

NOTE 9 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Current maturities of long-term debt	417.19	318.23
Security Deposits	5.20	7.26
Advances from Customers	450.80	771.77
Creditor for Capital Items	11.65	52.67
Transportation Charges Collected from customers	8.11	11.99
Unclaimed Dividends	9.01	0.00
Share Application Money	1,445.00	1,645.00
Total	2,346.96	2,806.92

NOTE 10 SHORT-TERM PROVISIONS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Provision for Employees' Salary & Related Expenses	101.42	93.81
Provision for Statutory dues	280.92	173.47
Provision for Power charges	308.41	321.12
Other Provisions	6.72	57.90
Total	697.47	646.30

NOTE 11 - FIXED ASSETS

PARTICULARS	COST				DEPRECIATION				(Rs. In Lacs)	
	AS AT 01.04.2011	Addition During the year	Deductions During the year	AS AT 31.03.2012	Upto 31.03.2011	For the year	On deductions (-)	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
	1. LEASEHOLD LAND & SITE DEVELOPMENT	35.29	1.69	0.00	37.18	0.00	0.00	0.00	0.00	37.18
2. FREE HOLD LAND	772.11	10.30	0.00	782.41	0.00	0.00	0.00	0.00	782.41	772.11
3. BUILDING	1,355.62	41.77	0.00	1,397.39	163.04	44.66	0.00	207.90	1,189.49	1,192.58
4. PLANT & MACHINERY	9,948.04	351.86	40.45	10,260.45	3,360.30	454.74	0.00	3,815.04	6,445.41	6,588.74
5. FURNITURE & FIXTURES	76.74	13.20	0.22	89.72	34.82	7.62	0.05	42.59	47.13	41.92
6. VEHICLES	345.74	9.91	6.69	348.96	89.03	35.04	0.94	123.13	225.83	256.70
TOTAL RS.	12,534.54	428.93	47.36	12,916.11	3,647.19	542.46	0.99	4,188.66	8,727.45	8,887.34
7. CAPITAL WORK IN PROGRESS	81.71	236.43	318.14	0.00	0.00	0.00	0.00	0.00	0.00	81.71
TOTAL RS.	81.71	236.43	318.14	0.00	0.00	0.00	0.00	0.00	0.00	81.71
GRAND TOTAL PREVIOUS YEAR	12,616.25	665.36	365.50	12,916.11	3,647.19	542.46	0.99	4,188.66	8,727.45	8,969.05
	11,651.03	1,690.65	925.42	12,616.26	2,916.89	731.82	1.51	3,647.20	8,969.06	8,734.13

NOTE 12 NON CURRENT INVESTMENTS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Unquoted Equity Shares (at cost) In Enterprises controlled by Key Managerial Person: 1200300 Equity Shares of Rs. 10 each in Shree Shyam Sponge and Power Limited	30.01	30.01
In Associate Concerns: 2000000 Equity Shares of Rs. 10/- each in Devi Iron and Power Private Limited	200.00	200.00
100000 Equity Shares of Rs. 10/- each in Mahamaya Charitable Foundation	10.00	10.00
Total	240.01	240.01

NOTE 13 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
(Unsecured, considered good unless otherwise stated)		
Capital Advances:	112.67	68.68
Security deposits	649.36	512.46
Investment - Share Application (Pending allotment)	282.00	0.00
Total	1,044.03	581.14

NOTE 14 INVENTORIES

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
(As taken, valued and certified by the management)		
Raw materials	2,180.31	2,754.01
Finished Goods	2,944.10	1,985.02
Stores and spares	1,229.73	1,006.71
Total	6,354.14	5,745.74

NOTE 15 TRADE RECEIVABLES

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
(Unsecured, considered good unless otherwise stated)		
1) Debts due for a period exceeding six months	682.13	435.11
2) Other Debts	2,343.29	3,329.96
Total	3,025.42	3,765.07

NOTE 16 CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Balances with banks in -		
Fixed Deposits (Refer Note 1 below)	309.85	271.27
Current Accounts	71.09	158.40
Unclaimed Dividend Accounts (Refer Note 2 below)	9.01	0.00
Cash in hand	5.30	33.40
Total	395.25	463.07

Note: (1) Fixed deposits having maturity of more than year Rs. 21,90,427 (Previous Year Rs. 20,17,008)

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

NOTE 17 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
(Unsecured, considered good unless otherwise stated)		
Advances for Raw Materials		
Related Parties	0.06	134.70
Others	1,067.43	593.65
Advances for Stores, Consumables and Expenses	118.81	98.42
Taxes paid in advance less provisions (current tax)	19.12	2.79
Balances with Commercial Tax Authorities	283.35	184.53
Balances with Central Excise Authorities	173.07	143.01
Staff, Tour & Imprest advances	21.35	18.07
Total	1,683.19	1,175.17

NOTE 18 OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Earnest Money deposits with customers	104.49	20.74
Prepaid Expenses	11.99	8.95
Incomes accrued but not due	36.12	28.37
Total	152.60	58.06

NOTE 19 REVENUE FROM OPERATIONS

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Sale of products	60,813.55	61,816.49
Sale of services	0.00	1,663.53
Other operating revenues	2.25	5.61
Less:		
Excise duty	5,508.52	5,496.65
Sales Tax and VAT	1,324.88	1,335.44
Total	53,982.40	56,653.54

NOTE 19a EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
FOB Value of exports	71.00	-
Total	71.00	0.00

NOTE 20 - OTHER INCOME

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Interest Income	76.34	48.22
Income on Foreign Exchange Fluctuation	1.35	0.00
Total	77.69	48.22

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

Particulars	For the year ended on 31 st March, 2012		For the year ended on 31 st March, 2011	
	Value (Rs. In Lacs)	(%)	Value (Rs. In Lacs)	Percentage (%)
Raw Materials Consumed				
Imported*	35.17	0.08	0.00	0.00
Indigenously obtained	42,007.80	99.92	42,480.32	100.00
Sub-Total	42042.97		42480.32	
Spare Parts and Components Used				
Imported*	45.19	1.97	64.32	2.00
Indigenously obtained	2,248.47	98.03	3,157.11	98.00
Sub-Total	2293.66		3221.43	
Total	44336.63		45701.75	

* Value includes full landed cost

NOTE 21a - CIF VALUE OF IMPORTS

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Raw materials	33.19	0.00
Components and Spare Parts	41.67	57.82
Total	74.86	57.82

* Value includes expenses incurred up to the port.

NOTE 21b - ON RAW MATERIALS, GOODS PURCHASED AND WORK IN PROGRESS

(Rs. In Lacs)

Particulars	Blooms & Billets (Rolling Mill division)		Sponge Iron/ Pig Iron and Scrap (SMS Division)	
	As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2011
Raw Material Op. Stock	2,563.96	2,067.35	190.05	725.83
Purchases during the year	19,697.32	21,954.47	21,736.77	20,486.68
Consumption	21,288.41	21,457.86	20,719.39	21,022.46
Raw Material Cl. Stock	972.87	2,563.96	1,207.43	190.05

NOTE 22 (INCREASE) / DECREASE STOCKS OF FINISHED GOODS

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Stock (At Commencement)		
Finished goods	1,984.06	2,072.89
Stock (At End)		
Finished goods	2,944.10	1,984.06
Total	(960.04)	88.83

NOTE 23 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Office Salaries	66.63	59.55
Contribution to provident and other funds (office)	2.64	2.78
Provision for Gratuity	16.70	0.00
Staff welfare expenses	15.82	32.91
Total	101.79	95.24

NOTE 24 FINANCE COSTS

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Interest expense	729.76	562.00
Other financial costs	66.03	43.06
Total	795.79	605.06

NOTE 25 OTHER EXPENSES

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
A. Manufacturing Expenses		
Power and Fuel	5,998.75	5,985.98
Wokers' Salaries, wages and other Benefits	622.70	563.70
Contribution to Provident Fund & ESIC (Plant)	39.18	40.94
Contractors' Payment	101.24	120.57
Conversion Charges	508.65	535.44
<u>Repairs and maintenance -</u>		
Machinery	10.31	8.72
Others	13.98	12.84
Variation in Excise duty on Closing stock	115.17	(37.83)
Sub-Total A	7,409.98	7,230.36
B. Administrative, Selling & Distribution Expenses		
Insurance	12.58	14.72
Rent	4.80	5.01
Rates & Taxes (excluding taxes on income)	11.51	1.89
Directors Remuneration	135.24	146.00
Legal & Professional Charges	10.13	24.10
Travelling & Conveyance	14.53	16.44
Telephone Expenses	8.05	8.46
Auditors Remuneration	9.30	7.28
Other Administrative Expenses	55.90	91.53
Selling & Distribution Expenses	486.12	341.55
Sub-Total B	748.16	656.98
Total (A+B)	8,158.14	7,887.34

NOTE 25a PAYMENT TO AUDITORS

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Audit fees	3.00	3.00
Taxation matters	0.30	1.28
Other services	6.00	3.00
Total	9.30	7.28

NOTE 26 EXCEPTIONAL ITEMS

Particulars	For the year ended on 31 st March, 2012 (Rs. In Lacs)	For the year ended on 31 st March, 2011 (Rs. In Lacs)
Profit/ (Loss) on sale of Fixed Assets	0.35	(1.36)
Income / (Expenses) pertaining to prior periods	3.04	(9.81)
Sundry balances written off	17.49	(7.63)
Other non-operating income	13.06	0.01
Total	33.94	(18.79)

NOTE 27 EARNING PER SHARE

Particulars	As at 31 st March, 2012 Rs.	As at 31 st March, 2011 Rs.
Profit after Tax	7,60,32,184	11,13,76,476
Weighted Average Number of equity shares outstanding during the year	1,35,70,400	1,35,70,400
Nominal Value of equity shares	10.00	10.00
Earning Per shares (Basic and diluted)	5.60	8.21

NOTE 28 CONTINGENT LIABILITY

Particulars	As at 31 st March, 2012 (Rs. In Lacs)	As at 31 st March, 2011 (Rs. In Lacs)
Sales Tax Demands under appeal	4.98	38.27
Central Sales Tax Demands under appeal	-	10.07
Excise Duty liabilities under appeal & adjudication	38.21	55.92
Est. amount of contracts remaining to be executed on cap acc	210.00	200.00
Corporate Gurantees given for advances of a body corporate	0.00	910.00
Outstanding Bank Guarantees	65.09	150.00

NOTE 29 RELATED PARTY DISCLOSURES

Disclosure of transactions with related parties, as required by Accounting Standard-18 "Related Party Disclosures" has been set-out in a separate statement annexed to this schedule. Related parties as defined under Clause 3 of the Accounting Standard have been identified on the basis of representations made by Key Managerial Personnel and information available with the Company.

A) NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS:

Nature of Relationship	Name of Related Party
A. Associate Concerns	<ol style="list-style-type: none"> Raipur Ferro Alloys Limited (under merger with another Company) Rajesh Re-rollers Limited (under merger with another Company) Devi Iron and Power Private Limited Mahamaya Charitable Foundation
B. Key Managerial Persons	<ol style="list-style-type: none"> Shri Ramanand Agrawal Shri Rajesh Agrawal Smt. Gulab Bai Agrawal Shri V.P. Goswami
C. Relatives of Key Managerial Persons	<ol style="list-style-type: none"> Rajesh Agrawal HUF Shri Anand Agrawal Smt. Rekha Agrawal Smt. Asha Devi Agrawal
D. Enterprise over which Key Managerial Personnel and relatives exercise significant influence with whom transactions have taken place during the year	<ol style="list-style-type: none"> Abhishkek Steel Industries Limited Shree Shyam Sponge & Power Limited Antriksh Commerce Private Limited Callidora Traders Private Limited Mark Vision Multi Services Private Limited Escort Finvest Private Limited Adept IT solutions (P) Ltd. Tirupati Steel Traders (Prop: Mahamaya Mines (P) Ltd)

B) RELATED PARTY TRANSACTIONS:

Nature of Relationship	Nature of Transactions/ Balances	Amount (Rs. In Lacs)	
		Current Year	Previous Year
1. Associates	Investment-Share application money	0.00	10.00
	Sale of Finished Goods	3.14	73.43
	Purchase of Raw Materials	5456.98	2204.79
	Share application money given	282.00	0.00
	<u>Outstanding balances at year end:</u>		
	Advance for Raw Materials	0.00	134.70
	Creditor for Raw Materials	21.57	0.00
	Investment-Share application money	282.00	210.00
2. Key Managerial Person	Managerial Remuneration	135.24	146.00
3. Relatives of Key Managerial Person	Transportation Charges	30.00	30.00
4. Enterprise over which Key management and their relatives exercise exercise significant influence with whom transactions have taken place during the year	Sale of Finished Goods	7891.51	9428.45
	Purchase of Raw Materials	9239.84	12604.12
	Conversion Charges paid	481.38	535.44
	Purchase of Fixed Assets	0.00	10.35
	Loans Taken	1535.00	220.00
	Loans repaid	1755.00	0.00
	<u>Outstanding balances at year end:</u>		
	Unsecured loans	0.00	220.00
	Creditors for Raw Materials	517.40	73.74
	Trade Receivables	58.03	325.10
	Investment	0.00	30.01
Share Application Money	345.00	345.00	

NOTE 30 NOTES ON ACCOUNTS
(A) Income Tax Search:

During the financial year under review on 21/22.06.2011, Search operations were conducted by the Income Tax Department. During the course of which, documents pertaining to accounts and financial matters were seized in hard copy as well as in softcopy. Verification and valuation of some inventory items was carried out by the Department, which concluded in arriving shortage of 267.290 MT of inventory i.e. Finished goods and Raw material. The company has not accepted the variation aforesaid and as such no effect in books of accounts has been given. During the course of search, an amount of Rs.13.00 lacs was also seized by the Department. This has been offered for taxation by the Company by incorporating it in the regular books of accounts. The same has been treated as advance tax by the company."

(B) Excise Search:

During the financial year, on 13th March 2012, search operations were conducted by the Central Excise Department, shortage of 19.299 MT of finished goods and 162.578 MT of raw material of combined value of Rs.55.32 lacs was noted.

Detailed explanations on the said variance were given by the Company to the Search team and applicable excise duty of Rs.5.69 lacs was paid under protest and variation has been duly accounted in books of

accounts. No show cause notice has been served on the company till date and the Management is not expecting any other liability on this account, hence, no provision has been made.

(C) On 13.07.2012, i.e. after the Balance sheet date, Excise Department conducted another search operations and concluded excess inventory of 1285.196 MT of finished goods and Raw material with a combined value of Rs.466.69 lacs. The management is of the view that variation pointed out gets off set with inventory of Raw Material of its SMS Division which was not measured by the Excise Department.

(D) Parties' accounts are subject to confirmation. Consequential effects adjustment, presently unascertainable, will be provided as and when confirmed.

(E) Trade Receivables, Loans & Advances and Deposits include certain over due accounts. Balances in the accounts of certain debtors, loans and advances required to be confirmed / reconciled. However, in the opinion of the Board, all current assets, loans and advances would be realized in ordinary course of the business at the value as stated.

(F) 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.

(G) 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

(H) 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.

(I) 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 Rs. 555.12 lacs from sale of Blooms/ Billets to outside parties.

(J) Unclaimed dividend of earlier years aggregating to Rs. 9.01 lakhs deposited in separate bank account, has been accounted for in the books of account of the current year, for better understanding of financial statement. Inclusion of the said amount does not have any impact on the profitability of the company.

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

Deepak Batra
Partner
Membership No. 074052

Date: 13th August, 2012
Place: Raipur

For and on behalf of the Board

Ramanand Agrawal
Chairman

Rajesh Agrawal
Managing Director

Jaswinder Kaur Mission
Company Secretary

Date: 13th August, 2012
Place: Raipur



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 FOURTH ANNUAL GENERAL MEETING of the Company at B/8-9, Sector-C, Urla Industrial Area, Sarora, Raipur-493221 (Chhattisgarh), at 1:30 pm on 29th September, 2012

Full name of the Member
(in block letters)

Signature

Folio No.: _____

DPID/Client ID.: _____

Full name of the Proxy
(in block letters)

Signature

NOTES:

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

MAHAMAYA STEEL INDUSTRIES LIMITED

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

PROXY

I/We _____ being a Member/Members of the above named Company, hereby appoint _____ or failing him _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Saturday, 29th September, 2012 at any adjournment thereof.

Signed this _____ day of _____ 2012

Folio No.: _____

DPID/Client ID.: _____

No. of Shares

Signature

(Affix Revenue Stamp)

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

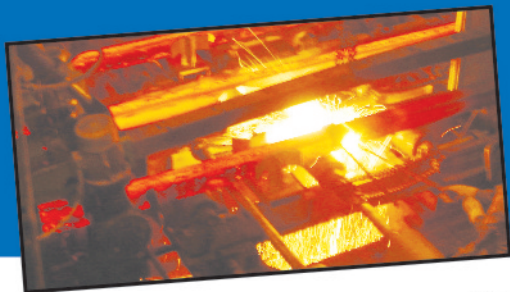
** Strike out whichever is not desired.

NOTES:

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



MAHAMAYA



Book-Post

If undelivered please return to :

MAHAMAYA STEEL INDUSTRIES LIMITED

B/8-9, Sector-C, Urla Industrial Area,
Sarora, Raipur-493 221 (Chhattisgarh)
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Fax: +91 771 4006611, 2324401
Website: www.mahamayagroup.in