



**MAHAVEER INFOWAY LIMITED**

**20<sup>th</sup> ANNUAL REPORT  
2010-2011**

7-1-24/2/C, 301/A, Dhansi Surabhi Complex,  
Greenlands, Ameerpet, Hyderabad - 500 016.

## **BOARD OF DIRECTORS**

Mr. Ashok Kumar Jain	Managing Director
Mr. Vinit Maharia	Director
Mr. Vijay Jain	Director
Mr. Jitendra Bhansali	Director
Mr. Prasanna Dixit	Director
Mr. Rajender Kumar Jain	Director
Mr. Budhi Prakash toshniwal	Director
Mr. Vijay Kumar Taori	Director
Mr. Hanuman Das Malu	Director

**AUDITOR:  
KALYANA & CO.**

Chartered Accountants  
3-6-258, 1 st Floor, Himayat Nagar, Hyderabad – 500029.

**REGISTERED & CORPORATE OFFICE:**  
7-1-24/2/C, #301/A, Dhansi Surabhi Complex,  
Greenlands, Ameerpet, Hyderabad.

**REGISTRARS AND SHARE TRANSFER AGENTS:**  
M/s. Venture Capital and Corporate Investments Pvt. Ltd  
12-10-167, Bharat Nagar, Hyderabad - 500 018  
Ph.Nos.040-23818475/23818476/ 23868023  
Fax: 040-23868024

**BANKERS:**  
Axis Bank Ltd.

## **NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the members of Mahaveer Infoway Limited will be held on Tuesday, 16<sup>th</sup> August 2011 at 10.00 A.M, at the Registered Office of the Company, 7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited balance sheet as at 31<sup>st</sup> March 2011 and profit & loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon
2. To declare dividend on Equity share capital.
3. To appoint Director in place of Mr. Ashok Kumar Jain, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Director in place of Mr. Rajender Kumar Jain, who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration for the said period.

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT Mr. Hanuman Das Malu, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f. 24.05.2011 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.”

### **7. Increase in Authorized Share Capital of the Company:**

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

“RESOLVED THAT pursuant to Sections 16 and 94 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956 the authorised share capital of the company be and is hereby increased from Rs. 6,00,00,000 (Rupees Six crores only) divided into 60,00,000 (Sixty lakhs only) equity shares of Rs. 10/- (Rupees ten only) each to Rs. 20,00,00,000 (Rupees Twenty crores only) divided into 2,00,00,000 (Two crores only) equity shares of Rs. 10/- (Rupees ten only) each consequently the existing Clause V of the Memorandum of Association of the company be and is hereby altered by deleting the same and substituting in its place, the following as new Clause V:

- V. The Authorized share capital of the company is Rs. 20,00,00,000 (Rupees Twenty crores only) divided into 2,00,00,000 (Two crores only) equity shares of Rs.10/- (Ten only) each with power of the company to increase or reduce the capital and the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, differed, qualified or special rights, privileges or conditions and to vary modify or abrogate any such rights, privileges or conditions as may for the time being be provided by the regulations of the

company and to issue any part of its capital original or increased with or without any preference, priority or special privileges or subject to any postponement of to any conditions or restrictions and that unless the conditions of issue shall otherwise expressly declare every issue of share whether declared to preference or otherwise shall be subject to the power herein before contained.

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such necessary steps / actions as may be deemed expedient to give effect to this resolution including signing and filing of all such necessary forms and documents as may be required in this regard.”

**8. ISSUE OF EQUITY SHARES ON THE BASIS OF FOLLOW ON PUBLIC ISSUE:**

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

“**RESOLVED THAT** in accordance with the provisions of Section 81(1 A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or reenactments thereof for the time being in force) and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Ahmedabad Stock Exchange Limited (ASE) where the Shares of the Company are listed, the provisions of Foreign Exchange Management Act, 1999 and rules regulation framed there under and in accordance with applicable rules and regulations and subject to such other approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI) including SEBI (Issue of Capital and Disclosure Requirement) Regulation 2009, Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/or concerned authorities, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“Board”) (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board of Directors to issue, offer, create and allot Securities including Equity Shares, Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) Convertible into Equity Shares, Foreign Currency Convertible Bonds (FCCBs), Warrants, Convertible into Depository Receipts with underlying Equity Shares/ Equity Shares (hereinafter referred to as “Securities”) for an aggregate sum not exceeding Rs 50 crore (INR ) or any other currency (ies) with such premium as may be appropriate, directly to Eligible Investors (whether Institutions, Bodies Corporate, Mutual Funds, Trusts, Foreign Institutional Investors, Banks and/or individuals, or otherwise and whether or not such investors are members, promoters, directors or their relatives/ associates, of the Company) through Public Issue(s), Private Placement(s), or a combination thereof at such time or times in such tranche or tranches, at such price or prices, at such premium as may be appropriate to market price or prices in such manner and on such terms and conditions as may be decided by the Board, wherever necessary in consultation with the Lead Manager(s), Underwriters, Advisors and/or such other person(s), by way of Public Issue in India or any other countries, so as to enable the Company to get listed at any Stock Exchanges in India and/or any other Overseas Stock Exchanges.”

“**RESOLVED FURTHER THAT** the Board is hereby authorised to accept any modification(s) in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the ASE/SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, aforesaid issue of securities may have all terms or any terms or any combination of terms in accordance with prevalent market practice.”

**“RESOLVED FURTHER THAT** the Board is also authorised to enter into and execute all such arrangements/agreements with the Lead Manager(s) / Underwriter(s) / Guarantor(s)/ Depository(ies)/ Custodians/Advisors/ Registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like.”

**“RESOLVED FURTHER THAT** the Company and/or any agency or body authorised by the Company may issue Equity Shares/ FCCB/GDR/ADR and/or other form of securities mentioned hereinabove representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to finalise the mode and the terms of issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares will rank pari passu with the existing Equity Shares of the Company in all respects.”

**“RESOLVED FURTHER THAT** the Board do open one or more bank accounts in the name of Company, including escrow accounts, special purpose accounts etc, in Indian currency or Foreign Currency (ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any.”

**“RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as they deem fit.”

**“RESOLVED FURTHER THAT** Mr. Ashok Kumar Jain, Managing Director, be and is hereby authorised to execute, sign, amend and deliver as necessary and approve any circulars, prospectus/admission documents, supplementary prospectuses, advertisements, press announcements and verification notes, all in an approved form, written resolutions, letters required to be delivered to the relevant Stock Exchange(s) or other documents to be issued by or on behalf of, or requiring approval of, the Principal in connection with or incidental to the Offering, the Publication or the Admission and all deeds, documents and other instruments whatsoever which are necessary, desirable or expedient in connection with the Offering, the Publication or the Admission and to do all other acts and things whatsoever which may be necessary, desirable or expedient to be done by the Principal in connection with the Offering, the Publication or the Admission.”

**9. RAISING OF FUNDS THROUGH ISSUE OF ADR’S/GDR’S/FCCB/QIP**

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

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) (including any amendments thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 2000 (the “FEMA”), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and the Securities and Exchange Board of India (the “SEBI”) Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or as a part of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (“GDRs”), Foreign Currency Convertible Bonds (“FCCBs”), and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting rights / with special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares including the issue and allotment of equity shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, including Qualified Institutional Buyers, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian) Foreign Institutional Investors, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the “Investors”) whether or not such Investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs.50Crores or equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary

in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board, at its absolute discretion may deem fit and appropriate.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act (including any amendments thereto or reenactment thereof), the provisions of Chapter XIII-A of the SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (the “SEBI ICDR Regulations”) and the provisions of the FEMA, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Board may at their absolute discretion issue, offer and allot equity shares, fully convertible debentures, partly convertible debentures or any securities which are convertible into or exchangeable with equity shares (collectively referred to as “Securities”) of an aggregate amount not exceeding Rs.50 Crores or equivalent thereof in one or more foreign currency and / or Indian Rupees inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR REGULATIONS) pursuant to a qualified institutional placement, as provided under Chapter XIII-A of the SEBI ICDR Regulations and such securities shall be fully paid up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and (b) the relevant date for the determination of applicable price for the issue of the Securities shall be as per the guidelines prescribed by SEBI, RBI, Gol through its various departments, or any other regulator and the pricing of any equity shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations; and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions.”

**“RESOLVED FURTHER THAT** the issue to the holders of the Securities underlying the Securities shall be, inter alia, subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting

such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Act, in respect of any Securities as may be required either on pari-passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** the Board or Management Committee or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more National and/or International Stock exchange(s).”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend and subject to other conditions stipulated elsewhere in the Resolution which shall be as provided under the terms of the issue and in the offering documents.”

**“RESOLVED FURTHER THAT** the Board is be and are hereby severally authorised to form a committee or delegate all or any of its powers to any Director(s) or committee of Directors/ Company Secretary/other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- (a) Approving the offer document and filing the same with the any other authority or persons as may be required;
- (b) Approving the issue price, the number of Securities to be allotted, the basis of allocation

and allotment of Securities;

- (c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorised Persons, who shall sign the same in token thereof;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (e) Opening such banks accounts and demat accounts as may be required for the transaction;
- (f) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (g) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (h) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and To authorize or delegate all or any of the powers herein above conferred to any or more persons, if need be.”

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and vote, instead of himself/herself and such proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Members are requested to notify immediately any change in the address to the Company
3. The dividend of 5% for the year ended 31<sup>st</sup> March 2011 as recommended by the Board, if sanctioned at the AGM will be payable to those members whose names appear on the Company's Register of Members on 12.08.2011.
4. The Register of members and share transfer books of the company will remain closed from 13<sup>th</sup> August, 2011 to 16<sup>th</sup> August, 2011 both days inclusive.
5. Members intending to seek clarifications at the Annual General Meeting concerning accounts and any aspect of operations of the company are requested to send their questions in writing so as to reach the company at least seven days in advance before the date of Annual General Meeting specifying the points.
6. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders requested to update their E-Mail ID with their DP

For and on behalf of the Board of Directors of  
**M/s. Mahaveer Infoway Limited**

Place:Hyderabad  
Date:20.07.2011

**Ashok Kumar Jain**  
Managing Director

## **EXPLANATORY STATEMENT**

(Pursuant To Section 173(2) of the Companies Act, 1956)

### **Item No. 6: Appointment of Mr. Hanuman Das Malu**

The members may note that Mr. Hanuman Das Malu, was inducted into Board as an Additional Director of the company, with effect from 24.05.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

The Board recommends the resolution for your approval.

None of Directors except Mr Hanuman Das Malu may be deemed to be concerned or interested in the resolution.

### **Items 7: Increase in Authorized Share Capital of the Company**

The present authorised share capital of the company is Rs. Rs. 6,00,00,000 divided into 60,00,000 equity shares of Rs. 10/- each. The company is proposing to issue further shares. Considering the further issue, the Board has approved, subject to the shareholders' approval, an increase in the authorised share capital to Rs. 20,00,00,000 divided into 2,00,00,000 equity shares of Rs.10/- each.

Pursuant to the provisions of Sections 16 and 94 of the Companies Act, 1956, an increase in the authorised share capital of the company and consequent amendments in the capital clause of the Memorandum of Association of the company requires approval of the members. Approval of the members is, therefore, sought in terms of the said sections.

The Board recommends the resolution for your approval.

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

### **Item No. 8: Follow On Public Issue**

To meet with the growth envisaged in its activities the company needs to augment its resources and strengthen its equity base. For this purpose, it is proposed to make a Follow on Public Offer. The proceeds would be used for the company's business operations. Your Board therefore proposes to raise funds by issue up to Rs.50Crores equity shares of Rs. 10 each with or without such a premium as may be decided at appropriate time. The Follow on Public Offer will be made either under the Fixed Price Process or under Book Building Method in accordance with the provisions SEBI Guidelines or Regulations as amended from time to time.

The follow on public offer of the said equity shares shall be subject to approval from concerned authorities.

Since the new Equity Shares, are proposed to be issued also to persons other than the existing Shareholders of the Company, the consent of the Shareholders is being sought by Special Resolution in terms of Sec 81(1A) of the Companies Act, 1956.

Your directors recommend the Resolution as set out in Notice for the approval of the shareholders as Special Resolution.

The directors of the company may be deemed to be concerned or interested in this item of business

to the extent of their shareholdings in the company or to the extent any securities that may be offered to and/or subscribed for by them or any company or body corporate of which they are directors or members. Save as aforesaid none of the directors of the company is in any way concerned or interested in this item of business.

**Item No. 9: Raising Of Funds Through Issue Of DR'S/GDR'S/FCCB/QIP**

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity shares, GDR's, ADR's, Convertible Bonds/Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board as its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board in one or more tranche or tranches. The Company intends to make issue of an aggregate amount of not exceeding Rs.50Crores or equivalent thereof in Indian Currency or any other foreign currency.

The objects of this issue are to meet the fund requirement of company's expansion plans and its subsidiaries, including investment in subsidiaries, providing loans and or guarantees to subsidiaries, acquisitions of Companies, businesses and projects and for general corporate purposes. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

As the pricing of the Offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Equity shares to be issued. For reasons aforesaid as enabling resolution is therefore proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The Equity shares allotted or arising out of conversion of any securities would be listed. The issue/allotment/conversion shall be subject to the availability of regulatory approvals if any. The conversion of other specified securities held by foreign investors into shares would be subject to the applicable foreign investment cap.

Section 81(1A) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further issue of shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in the said section, unless the shareholders decide otherwise in general meeting by way of special resolution. As the aforesaid resolution provides for or may result in Issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to provisions of Sec:81(1A) and all other applicable provisions, if any of the Companies Act,1956 and the SEBI ICDR Regulations. The special Resolution as set out above, if passed, will have the effect of allowing the Board to issue and allot Securities to investors, who may not be existing shareholders of the Company in the manner as set out in the resolution.

None of the Directors is concerned or interested in the resolution.

For and on behalf of the Board of Directors of  
**M/s. Mahaveer Infoway Limited**

Place:Hyderabad  
Date:20.07.2011

**Ashok Kumar Jain**  
Managing Director

## DIRECTOR'S REPORT

To,

The Shareholders

Your Directors have pleasure in presenting the Twentieth Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2011.

### FINANCIAL RESULTS:

The financial results of the company are as follows:

PARTICULARS	2010-2011(in Rs.)	2009-10(in Rs.)
Income From IT Activities	34,47,367	--
Sales and Services	23,74,13,548	203,777,085
Other Income	3,57,67,819	2,954,790
Profit before tax	11,813,402	2,026,841
Provision for Tax	2,593,827	610,875
Dividend on Equity Share	2,754,500	--
Provision for Corporate Dividend Tax	457,488	--
Profit after tax	4,967,643	1,415,965
Profit brought from previous year	2,633,124	1,217,159
Profit available for appropriation	7,600,766	2,633,125
Balance carried to Balance Sheet	7,600,766	2,633,125

### OPERATIONS AND PROSPECTS: REVIEW OF OPERATIONS:

The Company has recorded a turnover of Rs. 23.74 crores in the current year and made a net profit of Rs. 49.68 lacs compared to Rs. 20.67 crores and Rs. 14.15 lacs respectively for the financial year 2009-10. The Company has been continuously working to improve the performance to a greater extent by diversifying business activities into telecom and education sector.

### DIVIDEND:

Your directors recommend a final dividend of Rs. 0.50. per share for your approval.

### DIRECTORS:

As per the provisions of the Articles of Association of the Company, Mr .Ashok Kumar Jain, Managing Director and Mr. Rajender Kumar Jain, Director of the Company retire by rotation at this Annual General Meeting and are eligible for re-appointment and your Board recommends their re-appointment.

During the year Mr. Hanuman Das Malu was appointed as additional director w.e.f .24.05.2011.

### PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

### LISTING/TRADING:

The equity shares of your company are listed on Ahmedabad Stock Exchange. During the year the Company got permission from Bombay Stock Exchange to trade its shares on BSE Indonext Model.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual accounts on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO**

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

**A. Conservation of Energy**

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule

**B. Technology Absorption**

1. Research and Development (R&D)	:	Nil
2. Technology absorption, adoption and innovation	:	Nil

**C. Foreign Exchange Earnings and Out Go**

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Rs. 73.00 Lakhs

**PARTICULARS OF EMPLOYEES:**

As the Company is not having any employee during the year under review, the disclosures required to be made under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder are not applicable.

**CODE OF CONDUCT:**

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

The code has been circulated to all the members of the Board and Senior management and the compliance of the same has been affirmed by them. A declaration signed by the Director is given in Annexure.

**AUDITORS:**

M/s. Kalyana & Co., Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and being eligible has expressed his willingness for re-appointment. Your directors propose the appointment of M/s. Kalyana & Co., Chartered Accountants, as statutory auditor to hold office until the conclusion of the next Annual General Meeting of the company.

**CORPORATE GOVERNANCE:**

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, Forms part of this Report as Annexure.

**ACKNOWLEDGEMENTS:**

Your Directors express their gratitude to the Central and State Governments, for their kind co-operation and constructive policies. They are thankful to Consortium of Bank, Financial institutions and investors for extending the support to the Management. Your Directors place on record their appreciation of the invaluable contribution made by the employees to the success of your Company.

**Declaration by Director of affirmation by Directors and senior Management personnel of compliance with the code of conduct**

The shareholders

I, Ashok Kumar Jain, Director of the Company do hereby declare that the Directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board of Directors of  
**M/s. Mahaveer Infoway Limited**

Place:Hyderabad  
Date:20.07.2011

**Ashok Kumar Jain**  
Managing Director

## **CORPORATE GOVERNANCE**

### **1. Company's Philosophy on Code of Governance**

The Company believes in implementation of good corporate governance which will help in achieving corporate goals and enhance shareholders value. It has been the endeavor of the company to give importance on ensuring fairness, transparency, accountability and responsibility to the shareholders besides implementing practices voluntarily that would give optimum information and benefits the readers of the financial statements.

In accordance with the requirement of Stock Exchange Regulations and the provision of the Listing Agreement, the compliance report on the corporate governance is reproduced here under:

### **2. Board of Directors:**

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition:

The Board of Mahaveer Infoway Limited comprises of the following :

<b>Sl. No.</b>	<b>Name of the Category Director</b>	<b>Category</b>	<b>No.of Directorships held in other Public companies</b>	<b>No. of Membership/ Chairmanship held in / committees of other companies</b>
1.	Mr. Ashok Kumar Jain	Promoter & Executive Director	1	1
2.	Mr. Vijay Jain	Promoter & Executive Director	Nil	Nil
3.	Mr.Jitendra Kumar Bhansali	Non Promoter & Executive Director	Nil	Nil
4.	Mr. Ramesh Prasanna Dixit	Non Promoter & Executive Director	Nil	Nil
5.	Mr. Rajender Kumar Jain	Independent Director	Nil	Nil
6.	Mr._Vinit Maharia	Independent Director	Nil	Nil
7.	Mr. Vijay Kumar Taori	Independent Director	1	1
8.	Mr. Budhi Prakash Toshniwal	Independent Director	Nil	Nil
9.	Mr.Hanuman Das Malu	Independent Director	Nil	Nil

**A brief profile of the directors appointed and reappointed are as follows:**

- **Mr. Ashok Kumar Jain**

Mr. Ashok Kumar Jain, aged about 51 years, brings a rich functional and industry exposure with over 30 years experience in IT , infrastructure and finance sector. He has proven tract record of entrepreneurial approach to business which is supported by an extensive network of business contacts. He is a strategic thinker, which coupled with his people skills provides excellent leadership. He is a skilled communicator and has an ability to explain strategies and technical matters in a clear and simple manner.

- **Mr. Rajender Kumar Jain**

Mr. Rajender Kumar Jain, aged about 46 years, is a commerce Graduate with over 10 years experience in real estate, consultancy and construction business. He has been associated with the Company as Independent Director and brings independent judgment in all major decisions of the Board.

- **Mr. Hanuman Das Malu**

Mr. Hanuman Das Malu, aged about 38 years, is a commerce Graduate with over 18 years experience in Mobile business. He has been associated with the distribution of various mobile brands and also running of chain of mobile retail out lets

### Board Meetings

During the Financial Year 2009-2010, the Board of Directors met 6 times on the following dates: 29.04.2010, 30.04.2010, 31.07.2010, 11.08.2010, 28.10.2010 and 29.01.2011. The attendance of Directors at these Board Meetings and at the previous Annual General Meeting is as under:

Sl. No.	Name	No of meetings held during the tenure of the Director	No of meetings attended by the Director	Whether present at the previous AGM
1.	Mr. Ashok Kumar Jain	6	6	Yes
2.	Mr. Vinit Maharia	6	6	Yes
3.	Mr. Vijay Jain	6	6	Yes
4.	Mr. Jitendra Kumar Bhansali	6	6	Yes
5.	Mr. Ramesh Prasanna Dixit	6	6	Yes
6.	Mr. Rajender Kumar Jain	6	6	Yes
7.	Mr. Vijay Kumar Taori	6	6	Yes
8.	Mr. Budhi Prakash Toshniwal	6	6	Yes
9.	Mr. Hanuman Das Malu	Nil	Nil	No

### 3. Audit Committee

Brief description of terms of reference;

The Audit committee's role would include the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/removal of external auditors, fixing audit fees and approving payments for any other services.
- Reviewing with management the annual financial statement before submission to the Board focusing primarily on:
  - Any changes in accounting policies and practices, Corporate Governance
  - Major accounting entries based on exercise of judgment by management
  - Significant Adjustment arising out of Audit.
  - The going concern assumption.
  - Compliance with the accounting standards.

- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Any related party transactions, i.e. transactions of the company of material nature, with promoters of the management, their subsidiaries or relatives, etc, that may be potential conflict, with the interest of the company at large.
- d) Reviewing with Management, external and internal auditors, adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function, 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.
- f) Discussion with internal auditors of any significant findings and follow-up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into 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.
- h) Discussion with Auditors before the audit commences, the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- i) Reviewing the company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders ( in case of non-payment of declared dividends) and creditors.

**Composition, Name of members and Chairman.**

The Audit Committee consists of three non-executive and independent Directors

Composition, name of Members and Chairman:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Budhi Prakash Toshniwal	Chairman	Independent, non-executive
Mr. Vijay Kumar Taori	Member	Independent, non-executive
Mr. Vinit Maharia	Member	Independent, non-executive

Meetings and attendance during the year 2010-2011. The Committee met 4 times on 30.04.2010, 31.07.2010, 28.10.2010 and 29.01.2011.

<b>Name of the Director</b>	<b>No. of meetings</b>	<b>Attendance</b>
Mr. Budhi Prakash Toshniwal	4	4
Mr. Vijay Kumar Taori	4	4
Mr. Vinit Maharia	4	4

Statutory Auditor is invited to the audit committee meetings.

**Details of remuneration paid to Directors.**

Ashok Kothari	Salary	3.00 lakhs
Jitendra Bhansali	Salary	2.16 lakhs
Prasanna Dixit (after allowance)	Salary	3.17 lakhs
Vijay Kothari	Salary	3.00 lakhs

**5. Shareholders Committee:**

The Board has constituted a shareholders/investors Grievance committee in terms of Clause 49

of the Listing Agreement to approve share transfer, transmission, transposition of name, issue of split/duplicate certificates and to review the status report on redressal of shareholder and investor complaints received by the company. During the year the company did not receive any complaint from the shareholders. The Committee met once on 28.10.2010.

The Shareholders/Investors Grievance Committee constitutes of the following persons:

<b>Name</b>	<b>Designation</b>
Mr. Budhi Prakash Toshniwal	Chairman
Mr.Vijay Kumar Taori	Member
Mr.Vinit Maharia	Member

## **6. General Body Meetings**

The details of last 3 AGM's/ EGM's are as under:

Year	Date	Time	Venue	Special resolutions passed
2009-10	31.08.2010	11.00 A.M	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	Nil
2008-09	15.09.2009	11.00 A.M	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	Nil
2007-08	30.08.2008	11.00 A.M	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	Nil
EGM	10.03.2011	11.00 A.M	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	3

The Company did not pass any resolution through postal ballot during the last year.

## **7. Means of Communication:**

As per the listing requirements quarterly, half yearly and yearly financial results of the Company are published in leading English and regional newspapers for public information.

## **8. General Shareholder Information**

### **i) Annual General Meeting**

Date	:	16 <sup>th</sup> August, 2011
Time	:	10.00 A.M
Venue	:	7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad

### **ii) Financial Calendar**

Financial Reporting for 2011-2012 (tentative)

The first quarter results	On or before 14.08.2011
The second quarter results	On or before 14.11.2011
The third quarter results	On or before 14.02.2012
The fourth quarter results	On or before 15.05.2012

iii) **Book Closure** : 13<sup>th</sup> August, 2011 to 16<sup>th</sup> August, 2011 (both dates inclusive)

iv) **Dividend payment** : Rs.0.50 per equity share

v) **Listing on Stock Exchanges:**

Shares of the company are listing on the Ahmedabad Stock Exchange Limited The Company has paid Annual Listing Fees for the year 2011-12.

vi) **Trading: The Company has got the permission to trade on BSE Indonext model w.e.f.30.09.2010**

vii) **Market Price Date**

The monthly high / low prices of shares of the Company from September, 2010 to March, 2011 at Bombay Stock Exchange .The Company's shares are not traded on Ahemdabad Stock Exchange.

Month	High (Rs.)	Low (Rs.)
September, 2010	50.00	23.00
October, 2010	37.95	25.65
November, 2010	33.50	25.75
December, 2010	29.95	18.55
January, 2011	25.80	16.20
February, 2011	21.80	14.50
March, 2011	21.00	13.50

**Shareholding pattern as on 31<sup>st</sup> March, 2011**

CATEGORY	No. of Shares Held	%of Share Holding
<b>A. Promoters Holding</b>		
1. Promoters & group		
-Indian Promoters	2,334,099	42.37
-Foreign Promoters	-	-
<b>B. Public Share Holding</b>		
3. Institutional Investors	-	-
a. Mutual Funds/UTI	-	-
b. Banks, Fls, Insurance Companies	-	-
c. Flls	-	-
4. Others	-	-
a. Body Corporate	50,518	0.92
b. Indian Public (Holding more than 1 lac)	2,504,264	45.46
c. Indian Public ( Holding less than 1 lac)	620,119	11.26
d. NRIs/s & OCB'S	-	-
d. NRIs/s & OCB'S	-	-
e.Directors & their Relatives & Friends	-	-
f. clearing member	-	-
<b>Grand Total</b>	<b>5,509,000</b>	<b>100</b>

**viii) Registrar and Transfer Agents**

Venture Capital and Corporate Investments Private Limited,  
12-10-167, Bharat Nagar, Hyderabad – 500018  
Email: [info@vccilindia.com](mailto:info@vccilindia.com)  
Ph: 040-23868023

**ix) Delegation of Share Transfer Formalities**

The Board has delegated share transfer formalities to the Registrars and Transfer Agents:

Venture Capital and Corporate Investments Private Limited  
12-10-167, Bharat Nagar, Hyderabad – 500018  
Email: [info@vccilindia.com](mailto:info@vccilindia.com)  
Ph: 040-23868023

All communications regarding Share Transfers, Transmissions Change in Address and any other correspondence etc., may be addressed to the Registrars & Transfer Agents. The company has constituted Share Transfer Committee. Physical transfers are effected within the statutory period of one month. The Board has designated Mr. Ashok Kumar Jain as the Compliance Officer. Hence, in case of any grievances the shareholders are free to approach the Share Transfer Committee for due redressal of their grievances. The Company has created an exclusive E-mail ID for the benefit of the share holders: [ashok@minfy.com](mailto:ashok@minfy.com).

**x) Dematerialization of shares**

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is **INE019D01016**. 4,572,199 equity shares are dematerialised which is 83% of the paid up capital of the Company and out of which 4,304,759 shares are in CDSL and 267,440 shares are in NSDL and the balance are in physical form.

**xi) Address for Correspondence**

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the Registered office of the company as detailed below:-

7-1-24/2/C, #301/A, Dhansi Surabhi Complex,  
Greenlands, Ameerpet, Hyderabad – 500016.

**9. Disclosures**

No transactions of material nature has been entered into by the Company with the Promoters, Directors, the Management or relatives, etc., that may have potential conflict with the interest of the Company. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.

Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

For and on behalf of the Board of Directors of  
**M/s. Mahaveer Infoway Limited**

Place:Hyderabad  
Date:11.05.2011

**Ashok Kumar Jain**  
Managing Director

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

**MANAGING DIRECTOR CERTIFICATE**

I, Mr. Ashok Kumar Jain, Managing Director of Mahaveer Infoway Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
  - (a) Significant changes in internal controls over financial reporting during the year;
  - (b) Significant changes in the accounting policies during the year;
  - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

**Place: Hyderabad**  
**Date: 11.05.2011**

**Sd/-**  
**Managing Director**

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Mahaveer Infoway Limited

We have examined the compliance of conditions of corporate governance by M/s. MAHAVEER INFOWAY LIMITED for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange (s). The compliance of conditions of corporate governance is the responsibility of 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholder/investor grievance committee.

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

Place: Hyderabad  
Date: 11.05.2011.

CA. N.KALYANA SUNDAR  
Partner  
For and on behalf of  
KALYANA & Co.,  
Chartered Accountants  
Membership No. 204247

## INDUSTRY STRUCTURE AND DEVELOPMENTS

MIL has its business operations across three Business Verticals viz. Telecom, QA Services & BPO and Education. Each Business vertical is headed by able, experienced and proven professionals to take the company to the next level of growth. The company is looking at diversification in telecom sector in a big way and in this direction have plans of acquiring telecom companies to achieve rapid inorganic growth in the coming years.

### BUSINESS LINES

- 1. Telecom:** Branded Mobile Phones Manufacturing targeted towards rural Indian markets. The company also does Mobile Phones Distribution and has become consistently among top five Distributors for Samsung Mobiles and has achieved 70% increase in sales YOY (Year To Year)
- 2. Qa Services And Bpo:** The company is a Specialised one in Software QA Automation Services. The company is also Vendor for Digitalization Projects of Ministry of Home, government of India.  
  
The company has competent Technical team of 35 Engineers. Key accounts include Wipro, mindtree and startups like Acuvate, Pressmart and PGC Infotech.
- 3. Education:** The company has started Distance Education in IT and Management Programs. It enjoys Exclusive agreement and collaboration with KSOU (Karnataka State Open University). 500+ Students successfully passed out.

### SWOT ANALYSIS

#### Strengths

- Young, Dynamic & Experience Management team from diverse backgrounds and geographies.
- Existing large Distributor Network
- Product Design keeping in mind the target market
- Company owned Repair and Services Infrastructure.
- Software for Online Tracking of Sales and Service.
- Exclusive agreement with Mediatek, Taiwan for Hardware Testing with MSAI (Mobile testing Standards Association of India) for IMEI number allocation and product testing .
- Seasoned IT professionals from Tier-1 outsourcing firms.
- Wide Distribution reach in South India.

#### Weaknesses

- Price Fluctuation & sensitive Telecom markets.
- Attrition in Human resources in middle and lower management.
- Low management bandwidth.
- Lower Exposure to overseas to IT & Telecom markets.

#### Opportunities

- Building handset manufacturing capabilities in India.
- Export opportunities to emerging African markets in Telecom and IT.
- Huge spends in Indian domestic IT especially by Government Agencies.

- Building own Retail formats to cater to the growing telecom market.

#### **Threats**

- Strong lobbying by Class 'A' Players against the emerging manufacturers
- Margins of our Company will slightly get affected due to import of Chinese products.
- Anti outsourcing policies from the hugely profitable US and European IT Markets.
- Government Policies against imported assembled Handsets.

#### **Segment –wise performance**

##### ☞ TELECOM BUSINESS

Manufacturing own brand of mobile phones as 'zink' at captive manufacturing facilities in China in collaboration with fadar telecom, E- Tecno.

Exclusive rights on Desings.

Range of 'low cost and feature rich' models.

Target Markets include tier-2 cities and rural areas of Southern India.

##### ☞ SOFTWARE QA SERVICES- OVERVIEW

Niche player in Automated QA services that require “ software Architecture, Design and Programming Skills for Software Testing”.

#### **Service Offering Include**

- Functional Manual testing, Functional Automation Testing-QTP, Silk Test, Sekenium.
- Performance Testing and Re-engineering-Silk Performer, Load Runner, Jmeter.
- Building Automation Frameworks, API Testing , Scalability Testing etc.

#### **MIL is the reseller in APAC for**

- HP software
- Cenzic
- IBM

##### ☞ DISTANCE EDUCATION

Exclusive agreement with Karnataka State Open University (KSOU), Mysore

- Information Technology
- Management Programes.

KSOU is recognised by

- UGC (University Grants Commision)
- DEC (Distance education council)

Huge demand for distance education for people to upgrade their skill/degree Working professionals

- Discounted education
- Diploma holders.

#### **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be “forward-looking statements” within the meaning of applicable securities 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/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors

#### **INTERNAL CONTROL SYSTEMS**

The internal control system of our Company is effective and adequate.

#### **SENIOR MANAGEMENT DISCLOSURES**

The Company's Senior management makes disclosures to the Board relating to all material financial and commercial transactions as when they occur.

#### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

Almost the entirety of our workforce comprises of highly qualified personnel. We have an effective strategy to nurture and grow our people so much so that employee turnaround has been much lower.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company recorded a turnover of Rs.23.74 Crores during the year 2010-11 compared to Rs.20.67 Crores in the year 2009-10 and earned a net profit of Rs.94.14 lakhs in the year 2010-11 as compared to Rs. 14.15 lakhs in the year 2009-10.

**MAHAVEER INFOWAY LTD**  
**BALANCE SHEET AS AT 31ST MARCH 2011**

SCH NO	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS :</b>		
<b>Share holders' funds</b>		
Share Capital	1 55,090,000	55,090,000
Reserves and Surplus	2 8,080,515	3,112,873
	63,170,515	58,202,873
<b>Loans Funds</b>		
Secured Loans	3 20,300,339	7,772,061
Unsecured Loans	4 3,468,371	3,202,694
	86,939,225	69,177,628
<b>TOTAL</b>		
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	5 10,001,360	12,198,612
Less : Depreciation	4,933,962	4,376,012
Net Block	5,067,398	7,822,600
<b>Investment</b>	6 10,603,870	6,984,050
<b>Current Assests, Loan and Advances</b>		
Inventory	7 21,747,789	11,968,975
Sundry Debtors	8 41,291,120	39,593,429
Cash and Bank Balances	9 2,476,018	2,983,798
Other Current Assets	10 7,490,211	1,182,281
Loan and Advances	11 17,024,484	18,102,889
	90,029,622	73,831,372
<b>Less : Current Liability and Provisions</b>		
Current Liabilities	12 10,329,626	17,870,995
Provisions	12 8,432,037	1,589,399
	18,761,663	19,460,394
Net Current Assets	71,267,959	54,370,978
<b>Miscellaneous Expenditure</b>		
<b>TOTAL</b>	<b>86,939,225</b>	<b>69,177,628</b>

Notes to Accounts 17 -  
The Schedules referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

**CA N Kalyana Sundar**

Partner

For and on behalf of

Managing Director

Director

**KALYANA & CO**

Chartered Accountants

Place: Hyderabad

Date : 11.05.2011

**MAHAVEER INFOWAY LTD**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR 31 st MARCH, 2011**

PARTICULERS	SCH No.	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>			
Sales Less Returns		237,413,548	203,777,085
Other Income	13	39,215,186	2,954,790
Increase / (Decrease) in Stock		14,953,913	7,247,101
<b>TOTAL</b>		<b>291,582,647</b>	<b>213,978,976</b>
<b>EXPENDITURES</b>			
Purchases Less Returns		243,623,041	202,024,256
Decrease in Stock		5,175,099	
Operating Expenses	14	8,156,896	6,219,480
Administrative and Other Expenses	15	20,045,216	2,224,702
Interest	16	2,211,043	855,191
Depreciation		557,950	628,506
<b>TOTAL</b>		<b>279,769,244</b>	<b>211,952,135</b>
Profit before taxation		11,813,402	2,026,841
Provision for Current year taxation		2,593,827	653,623
Dividend on Equity shares		2,754,500	
Provision for Corporate dividend Tax		457,488	
Provision for fringe benefit tax		-	-
Provision for deferred tax liability		1,039,944	(42,748)
Profit for the year		4,967,643	1,415,966
Profit /(loss) brought from previous year		2,633,124	1,217,160
Profit available for appropriations		7,600,766	2,633,125
<b>APPROPRIATIONS</b>			
Balance carried to Balance Sheet		7,600,766	2,633,125

Notes to Accounts 17

The Schedules referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

**CA N Kalyana Sundar**

Partner

For and on behalf of

Managing Director

Director

**KALYANA & CO**

Chartered Accountants

Place: Hyderabad

Date : 11.05.2011

**MAHAVEER INFOWAY LTD**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
Authorised :		
60,00,000 Equity Shares of Rs 10 each	60,000,000	60,000,000
	-----	-----
	60,000,000	60,000,000
Issued, Subscribed and Paid Up:		
55,09,000 Equity Share of Rs10 each	55,090,000	55,090,000
	-----	-----
	55,090,000	55,090,000
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Reserve fund ( Statutory)	479,748	479,748
Profit and Loss account	7,600,767	2,633,125
	-----	-----
	8,080,515	3,112,873
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
Cash Credit from Axis Bank Ltd (Secured by Hypothecation of property belonging to relative of Directors and Personal Guarantee of Directors and Others	20,300,339	7,772,061
	-----	-----
	20,300,339	7,772,061
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
Unsecured Loans from Directors & Others	3,468,371	3,202,694
	-----	-----
	3,468,371	3,202,694

**SCHEDULE - 5**  
**FIXED ASSETS**

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		As on 1.04.2010	Additions	Deletions	As on 31.03.11	As on 1.04.2010	For Current year	Dep Adjustment	As on 31.03.11	As on 31.03.11	As on 31.03.10
1	Land & Bldg	5,536,515	2,173,163	4,410,000	3,299,678	-	-	-	-	3,299,678	5,536,515
2	Plant & Machinery	428,497	9,800	-	438,297	125,583	42,983	-	168,566	269,731	302,914
3	Computers	2,317,042	10,200	-	2,327,242	1,997,762	130,362	-	2,128,124	199,118	319,280
4	Office Equipment	25,100	-	-	25,100	9,498	2,170	-	11,668	13,432	15,602
5	Furniture & Fixtures	1,964,410	19,585	-	1,983,995	1,388,291	104,851	-	1,493,142	490,853	576,119
6	Vehicles	1,927,048	--	-	1,927,048	854,879	277,585	-	1,132,463	794,585	1,072,169
	<b>Total</b>	<b>12,198,612</b>	<b>2,212,748</b>	<b>4,410,000</b>	<b>10,001,360</b>	<b>4,376,013</b>	<b>557,950</b>	<b>-</b>	<b>4,933,963</b>	<b>5,067,397</b>	<b>7,822,599</b>
	Previous Year	11,318,701	879,911	-	12,198,612	3,747,506	628,507	-	4,376,013	7,822,599	757,195

<b>PARTICULERS</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>SCHEDULE - 6 : Investments ( at Cost)</b>		
Equity shares (Unquoted)		
Mahaveer Skyscrapers Limited ( Subsidiary)	2,619,000	2,619,000
Arihant Optics Ltd	500,000	500,000
AP Mahesh Co-op Bank	3,050	150,050
Hygrowth Finance	15,000	15,000
Others	32,525	-
Leo Infrastructure	3,600,000	3,600,000
Minfy Impex	3,834,295	100,000
	-----	-----
	10,603,870	6,984,050
<b>SCHEDULE - 7 : Inventory</b>		
( As cerified by the management , at cost or net realisable value which ever is less)		
Closing stocks	21,747,789	11,968,975
	-----	-----
	21,747,789	11,968,975
<b>SCHEDULE - 8 : Sundry Debtors</b>		
Sundry Debtors-less than Six Months	41,291,120	39,593,429
Sundry Debtors (Above Six Month)	-	-
	-----	-----
	41,291,120	39,593,429
<b>SCHEDULE - 9</b>		
Cash and Bank Balance		
Cash in Hand	2,208,170	1,253,838
With Scheduled Bank in current Account	267,848	1,729,960
	-----	-----
	2,476,018	2,983,798
<b>SCHEDULE - 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposits with Parties	7,490,211	1,182,281
	-----	-----
	7,490,211	1,182,281
<b>SCHEDULES - 11</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured and Considered good)		
Advances Recoverable in Cash or in Kind or for value to be received	12,816,676	16,190,475
Advance Income tax and TDS	4,207,809	1,912,414
	-----	-----
	17,024,484	18,102,889

<b>PARTICULERS</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>SCHEDULES - 12</b>		
CURRENT LIABILITES AND PROVISIONS		
<b>A Current Liabilities</b>		
Sundry Creditors	9,552,690	17,605,407
Advances received	776,936	231,338
Outstanding Liabilities	-	34,250
	-----	-----
	10,329,626	17,870,995
<b>B Provisions</b>		
Provision for taxation	4,268,952	1,678,246
Dividend on Equity shares	2,754,500	-
Provision for Corporate dividend Tax	457,488	-
Deferred Tax Liability	951,097	(88,847)
	-----	-----
<b>TOTAL</b>	<b>8,432,037</b>	<b>1,589,399</b>
<b>SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT</b>		
<b>PARTICULERS</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>SCHEDULE - 13 : OTHER INCOME</b>		
Computer Training Income	-	1,734,142
Interest Income	2,031,378	429,773
Other Income	14,227,648	-
Profit on land sale	7,574,000	-
Income Webdevelopment	130,766	-
Miscellaneous income	9,204,725	743,456
Staffing Income	3,316,601	-
Discount received	2,729,881	-
Dividend Income	-	47,419
Rounded Off A/c.	187	-
	-----	-----
	39,215,186	2,954,790
<b>SCHEDULE - 14 : OPERATING EXPENDITURE</b>		
Advertisement Expenses	34,033	-
Electricity charges	165,683	131,181
Communication Expenses	361,098	459,551
Travelling and Conveyance	229,776	333,737
Miscellaneous expenses	47,448	235,924
Postage & Courier expenses	68,847	103,762
Rent	776,700	953,000
Staff Welfare Account	288,325	310,869
Salaries and Bonus	3,864,408	1,120,326
Managing Directors Remuneration	300,000	300,000
Other Directors Remuneration	833,304	912,000
Repairs and Maintenance	209,944	474,520
Office Maintainace	266,374	-
CST Paid	710,956	884,610
	-----	-----
	8,156,896	6,219,480

<b>PARTICULERS</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>SCHEDULE - 15</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rates and taxes	494,778	207,682
Legal and Consultancy Charges	671,642	355,240
Insurance	68,561	59,161
Payment to auditors	50,000	47,469
Other Exp.(Vediocon& Reliance)	13,408,631	-
Printing & Stationery	80,817	85,893
Bank charges	85,915	249,829
Commission paid	500,000	391,552
General Exp.	158,135	308,934
Annual Charges	96,600	98,541
Filing fees	-	163,500
Listing fees	47,023	82,723
Business Promotions	3,059,501	-
Staffing Exp.	959,993	-
Sundry Balances written off	363,621	174,178
	-----	-----
	20,045,216	2,224,702
<b>SCHEDULE - 16</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
	2,211,043	855,191
	-----	-----
	2,211,043	855,191

**MAHAVEER INFOWAY LTD**  
**Consolidated Cash Flow Statement for the Year Ended 31.03.2011**

Particulars	2010-11	2009-10
<b>Cash Flow From Operating Activity :</b>		
Net Profit for Year carried to B/S	4,967,643	1,415,965
Adjustments for :		
Provisions	6,845,759	610,875
Depreciation	557,950	628,506
Finanacial Charges	2,211,043	855,191
Interest Received	(2,031,378)	(429,773)
Dividend Received	-	(47,419)
Profit on Land Sale	(7,574,000)	-
Tax paid debited to P&L	252,942	-
Sundry balances Written off	588,655	-
<b>Cash Flow before Working Capital Changes</b>	<b>5,818,614</b>	<b>3,033,345</b>
(Increase)/Decrease in Debtors	(1,697,691)	13,196,046
(Increase)/Decrease in stock	(9,778,814)	(7,111,801)
(Increase)/Decrease in Advances	(1,078,405)	5,386,984
(Increase)/Decrease in otherCurrent Assets	(6,307,930)	(386,950)
Increase/(Decrease) in Current Liabilities	(5,476,135)	(32,924,360)
	<b>(18,520,360)</b>	<b>(18,806,736)</b>
Tax paid	(252,942)	-
<b>Net Cash Flow from Operating Activities</b>	<b>(18,773,302)</b>	<b>(18,806,736)</b>
<b>Cash Flow From Investing Activity :</b>		
Sale/(Purchase) of Fixed Assets	9,271,252	(879,911)
Interest Received	2,031,378	429,773
Dividend received	-	47,419
Sale/(Purchase) of Investment	(3,619,820)	(3,700,000)
<b>Net Cash Flow from Investing Activities</b>	<b>7,682,811</b>	<b>(4,102,719)</b>
<b>Cash Flow From Financing Activity :</b>		
Financial Charges	(2,211,043)	(855,191)
Secured Loan raised	12,528,278	1,575,081
Unsecured Loans raised/repaid	265,677	(1,516,967)
Share Capital rasied	-	25,596,500
<b>Net Cash Flow from Financing Activities</b>	<b>10,582,912</b>	<b>24,799,423</b>
Net Cash Flow from Operating Activities	(18,773,302)	(18,806,736)
Net Cash Flow from Investing Activities	7,682,811	(4,102,719)
Net Cash Flow from Financing Activities	10,582,912	24,799,423
	(507,580)	1,889,968
Add: Opening Cash and Cash Equivalents	2,983,598	1,093,730
Closing Cash and Cash Equivalents	<b>2,476,018</b>	<b>2,983,598</b>

**AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement of Mahaveer Infoway Ltd derived from the audited annual accounts for the year ended 31-3-2011 and found the same to be drawn in accordance therein and also with the requirement of Clause 32 of Listing Agreement with Hyderabad Stock Exchange Ltd.

CA. N.KALYANA SUNDAR  
Partner  
for and on behalf of  
KALYANA & CO.  
Chartered Accountants

Place : Hyderabad  
11-05-2011

## **SCHEDULE 17**

### **NOTES ON ACCOUNTS**

#### **Significant Accounting Policies and Notes to the Accounts**

##### **I. Significant Accounting Policies:**

###### **Accounting Assumptions**

The financial statements have been prepared on the basis of going concern, under historical cost convention on accrual basis, to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Indian Companies Act, 1956.

###### **Revenue Recognition**

- a) Income is recognized on accrual basis unless otherwise stated in these accounts.
- b) Revenue from sale is recognized after dispatch of goods to customers.
- c) Revenue for services is recognized after completion of each stage of service
- d) Revenue from software development (on time or material basis) is recognized based on software developed and billed to the clients.

###### **Fixed Assets and Depreciation**

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties levies and all incidentals attributable to bringing the assets to its working condition. Assets under installation or under construction as at balance sheet date are shown as capital work in progress.

Depreciation is provided pro rata to the period of use on the written down value method at the rates specified under Schedule XIV of the Companies Act, 1956 except the Temporary structures. Depreciation on Temporary structures is provided over the construction period on straight line method. Individual assets costing less than Rs.5, 000 are fully depreciated in the year of acquisition.

###### **Foreign Exchange Transactions**

The transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Gains / Losses arising out of fluctuations in exchange rates are accounted for in the Profit and Loss Account on realization / payment.

Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and resultant gain or loss is recognised in the Profit and Loss Account.

###### **Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

All investments are stated at cost, i.e., cost of acquisition inclusive of expenditure incidental to acquisition. Income from investments is recognised in the accounts in the year in which it is accrued and stated at gross values.

Short Term Investments are valued at cost or market value whichever is lower. In case of Long Term Investments, provision for diminution in value is made when it is permanent and material.

###### **Retirement Benefits**

Gratuity liability under the Payment of Gratuity Act is accrued and provided for on cash basis.

### **Borrowing Costs**

Borrowing costs are recognized as expenditure in the year in which they are incurred.

### **Earnings Per Share**

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profit/ (loss) after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.

### **Taxes on Income**

Tax expense comprises both current and deferred taxes. Provision for current tax is made based on the applicable tax rates and tax laws with respect to that year. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the year of change.

## **II. Notes to Accounts:**

### **1. Contingent Liabilities and Commitments**

Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances is Rs. Nil

### **2. Investments**

- a. Investment includes 5000 shares of Arihant Optics Limited amounting to Rs.500000/- are yet to be transferred in the name of the Company.
- b. Investment includes Rs. 14,095/- towards subscription of shares in Mahaveer Projects Private Limited.
- c. Investment includes Rs. 18,430/- towards subscription of shares in Mahaveer Telecom Private Limited.

### **3. Fixed Assets**

Fixed Assets to the tune of Rs.44,10,000/- held by the company as Land & Building at Plot No.47, IDA, Balanagar, Hyderabad acquired in an Auction conducted by the Debts Recovery Tribunal Department of Economic Affairs, Govt. of India along with one of the Director Sri Rajender Kumar Jain were sold during the year and earned a profit on sale of such land to the tune of Rs.75,74,000/- and the same were included in other income of P&L a/c during the financial year 2010-11.

### **4. Segment Reporting**

In the opinion of the management the company's business activity carried on during the year consist of more than one reportable segment and as such report is given separately.

### **5. Related Party transactions**

The company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made. No amounts have been written off or written back during the year in respect of debts due from or related parties. There are no other related parties where control exists that needs to be disclosed.

a) Names of related parties and description of relationship

Nature of Relationship	Name of the Related Party	
Subsidiary	Mahaveer Projects Private Limited Mahaveer Telecom Private Limited	
Key Management Personnel (KMP)	Mr.Ashok Kumar Jain	Managing Director
	Mr.Rajender Kumar Jain	Director
	Mr.Vijay Kothari	Director
	Mr.Jitendra Bhansali	Director
	Mr.Prasanna Dixit	Director
	Mrs.Anitha Kothari	Director
	Mr Vineet Maharia	Director
	Mr. Budhi Prakash	Director
	Mr. Vijay Kumar Taori	Director
Enterprises where KMP have significant influence	Mahaveer Skyscrapers Ltd	

b) Summary of Transactions with the above related parties are as follows:

	(Amount in Rupees)	
<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Remuneration to KMP	11,33,304	12,12,000
Rent Paid to relative of KMP	600,000	600,000

Transactions and outstanding balances in the nature of reimbursement of expenditure incurred by one Company on behalf of the other have not been considered above.

c) Period End Balances

	(Amount in Rupees)	
<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Rent Deposit with relative of KMP	800,000	500,000

**6. Taxation**

Current income tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the income tax Act, 1961 and it is charged to the profit and loss of the year.

**7. Lease Obligations**

- (i) Lease payments made under cancellable operating leases amounting to Rs.7,76,700 (2010 – Rs.9,53,000) have been recognised as an expense in the Expenditure during construction period pending allocation (net) and Profit and Loss Account as per the generally accepted accounting principles..

**8. Earning Per Share (EPS)**

<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Net Profit/ (Loss) after taxes for the year (Rs.)	8,179,631	1,415,965
Weighted average number of Equity Shares of Rs.10 each outstanding during the period(Used for calculation of Basic and Diluted Earnings Per Share)	5,509,000	5,508,990
Earnings per Share Basic and Diluted (Rs.)	1.49	0.26

9. Company has not paid any interest or any interest payable is outstanding to Micro, Small or Medium Enterprises (under the provisions of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006) during the year ended March 31, 2011.

**10. Managerial Remuneration:** (Amount in Rupees)

<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Salaries and Allowances	11,33,304	1,212,000
<b>Total</b>	<b>11,33,304</b>	<b>1,212,000</b>

**11. Auditors' Remuneration** (Amount in Rupees)

<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Audit Fees (excluding service tax)	50,000	30,000

**12. Foreign Exchange Outflow** (Amount in Rupees)

<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Fees to Consultants	73.00 lacs	59.23 lacs
Purchase of software/others		
Travelling Expenses		
<b>Total</b>	<b>73.00 lacs</b>	<b>59.23 lacs</b>

13. In the opinion of the Management and to the best of their knowledge and belief realization of current assets and loans and advances are not less than the amount at which they are stated in the Balance Sheet and are subject to confirmation from respective parties.

14. The management is of the opinion that the carrying amounts of fixed assets and other assets are not less than their respective net realizable values.

15. Additional Information pursuant to paragraphs 3, 4, 4-C and 4-D of part-II of Schedule VI to the Companies Act, 1956 to the extent either "Nil" or "Not Applicable" has not been furnished.

16. Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

CA. N.KALYANA SUNDAR  
Partner M.No:- 204247  
For and on behalf of  
Kalyana & Co.,  
Chartered Accountants  
Place: Hyderabad  
Date: 11.05.2011

Ashok Kumar Jain  
Managing Director

Rajender Kumar Jain  
Director

For and on behalf of the Board

Place: Hyderabad  
Date: 11.05.2011

**BALANCE SHEET ABSTRACT AND  
COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details:**

Registration No.	12704	State Code	01
Balance Sheet Date	31.03.2011		

**II. Capital Raised during the year (Amount in thousands):**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	25000

**III. Position of Mobilisation and Deployment of Funds: (Amount in thousands)**

Total Liabilities	86,939	Total Assets	86,939
-------------------	--------	--------------	--------

Sources of Funds:

Paidup Capital	55,090	Reserves & Surplus	8,081
Share Application	-----	Unsecured Loans	3,468
Secured Loans	20,300		

Application of Funds:

Net Fixed Assets	5,067	Investments	10,604
Net Current Assets	71,268	Miscellaneous Exp.	-----

**IV. Performance of company (Amount in thousands)**

Turnover	291,583	Total Expenditure	279,573
Profit/Loss before tax	11,813	Profit/Loss after Tax	8,178
Earning per Share in Rs.	1.49	Dividend Rate %	5

**V. Generic Names of three Principal Products/Services of the company**

(as per monetary terms)

Item Code No.(ITC Code)

Product Description

For and on Behalf of the Board

**Ashok Kothari**  
Managing Director

**Rajender Kothari**  
Director

**MAHAVEER INFOWAY LIMITED**  
**7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet**  
**Hyderabad - 500 016.**

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member(s) of above named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us, on my/our behalf at the 20th Annual General Meeting of the Company to be held on Tuesday, 16th day of August, 2011 at 10.00 A.M at 7-1-24/2/C, # 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad - 500 016 and at any adjourned meeting thereof.

As Witnessed Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

Signed by the said \_\_\_\_\_

Folio No./Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Note: The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

---

**MAHAVEER INFOWAY LIMITED**  
**7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet,**  
**Hyderabad - 500 016**

**ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence at the 20th Annual General Meeting of the members of the company to be held on Tuesday, 16th day of August, 2011 at 10.00 A.M at 7-1-24/2/C, # 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad - 500 016

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.