



MAHAVEER INFOWAY

**LIMITED**

**17th ANNUAL REPORT  
2007-2008**

**BOARD OF DIRECTORS**

Mr.Ashok Kothari	Managing Director
Mr.Rajender Kothari	Director
Mr.Kalva Srinivas	Director
Mr.Vijay Kothari	Director
Mr.Jitendra Bhansali	Director
Mr.Prasanna Dixit	Director
Mrs.Anitha Kothari	Director
Mr Vineet Maharia	Director

**AUDITOR:**

KALYANA & CO.  
Chartered Accountants  
3-6-258, 1 st Floor,  
Himayat Nagar,  
Hyderabad – 29.

**REGISTERED & CORPORATE OFFICE:**

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

**BANKERS:**

A.P.Mahesh Co-op.Urban Bank Ltd.  
IDBI Bank Ltd.  
ICICI Bank Ltd.  
ING VYSYA BANK LTD.

## **NOTICE FOR THE ANNUAL GENERAL MEETING**

To,  
The Shareholders,

Notice is hereby given that the seventeenth Annual General Meeting of the Mahaveer Infoway Limited will be held at the Registered Office of the Company 7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad on Monday, 30th July, 2008 at 11.00 A.M. to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 2008 and the Balance Sheet as on that date together with the reports of the Directors and the Auditor Report thereon.
2. To appoint Director in place of Mrs.Anitha Kothari , who retires by rotation and being eligible, offer himself for re-appointment..
3. To appoint Director in place of Mr Jitendra Bhansali, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Director in place of Mr Vineet Maharia, 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. To consider and if thought fit, to pass with or without modification the following resolution:

“RESOLVED THAT M/s KALYANA & CO., Chartered Accountants, Hyderabad, the retiring auditors be and are hereby reappointed as the auditors of the company for the financial year 2008-09 and to hold office until the conclusion of the next Annual General Meeting on such remunerations as may be decided by the Board of Directors plus reimbursement of out of pocket expenses and levies such as service tax etc.”

### **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 Register of members and share transfer books of the company will remain closed from 30th July, 2008 to 31st July, 2008 both days inclusive.

4. 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.

By Order of the Board

ASHOK KOTHARI  
Managing Director.

Place: Hyderabad  
Date: 02.07.2008.

Regd. & Corporate Office:

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

## DIRECTOR'S REPORT

To,

The Shareholders

Your Directors have pleasure in presenting the Sixteenth Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2008.

### FINANCIAL RESULTS:

The financial results of the company are as follows:

PARTICULARS	2007 – 2008	2006 – 2007
Income from IT Activities	Rupesh	15,70,464
Sales	Rupesh	91,171,943
Other Income	Rupesh	74,34,627
Profit before tax	689,887	604,119
Provision for Tax	230,824	237,995
Profit after tax	459,064	366,124
Profit brought from previous year	400,291	34,167
Profit available for appropriation	859,354	400,291
Balance carried to Balance Sheet	859,354	400,291

Your Directors are unable to recommend any dividend for the year in view of inadequate profits.

### OPERATIONS AND PROSPECTS: REVIEW OF OPERATIONS:

#### INFORMATION TECHNOLOGY:

During the financial year 2007-2008 the Company has been successfully imparting computer training and has been able to generate good revenue from this segment.

#### TRADING ACTIVITIES:

During the financial year 2007-2008 the company continued trading in Communication Equipments.

#### DIRECTORS:

As per the provisions of the Articles of Association of the Company, Mrs.Anitha Kothari, Mr Jitendra Bhansali and Mr Vineet Maharia , Directors of the company retire by rotation at this Annual General Meeting and are eligible for re-appointment.

#### CORPORATE GOVERNANCE:

##### 1. Company's Philosophy

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.

S.No.	Name	Category	No. of Board meetings attended	Attendance at the last AGM	Committee membership
1	Sri Ashok Kothari	Managing Director	8	Yes	
2	Sri Kalva Srinivas	Director	6	Yes	Audit Committee
3	Sri Rajender Kothari	Director	8	Yes	Audit Committee
4	Sri Jitendra Bhansali	Director	5	Yes	
5	Sri Prasanna Dixit	Director	5	No	
6	Smt Anita Kothri	Director	6	Yes	
7	Sri Vineet Maharia	Director	4	No	
8	Sri Vijay Kothari	Director	8	Yes	

## 2. Appointment of Directors

S.No.	Name	Category	No.of Board meetings attended	Attendance at the last AGM	Committee membership

No changes

## 3. Audit Committee

Brief description of terms of reference;

The Audit committee's role would include the following:

- a) 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.
- b) Recommending the appointment/removal of external auditors, fixing audit fees and approving payments for any other services.
- c) 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 two non-executive and independent Directors viz., Sri Rajender Kothari (Chairman) and Sri Kalva Srinivas.

Meetings and attendance during the year 2007-2008.

Name of the Director	No.of meetings	Attendance
Sri Rajender Kothari	4	4
Sri Kalva Srinivas	4	4

#### 4. Details of remuneration paid to Directors.

Ashok Kothari	Salary	2.67 lakhs
Jitendra Bhansali	Salary	1.27 lakhs
Prasanna Dixit	Salary	1.12 lakhs
Vijay Kothari	Salary	2.67 lakhs
Anitha Kothari	Salary	2.14 lakhs

#### 5. Shareholders Committee:

The Board has constituted a share and shareholders/investors Grievance committee 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 letters/complaints received from the shareholders were replied / resolved.

## 6. General Body Meetings

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

Year	Date	Time	Venue
2004-2005	30.09.2005	11.00. A.M.	Registered Office
2005-2006	30.09.2006	11.00. A.M.	Registered Office
2006-2007	29.09.2007	11.00.A.M.	Registered Office

## 7. 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.

NIL

## PARTICULARS OF EMPLOYEES:

The particulars of the employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1999.

Remuneration paid to Mr.Ashok Kothari, Managing Director is Rs.2,67,268/-p.a.

## AUDITORS:

M/s. KALYANA & CO., Chartered Accountants, Hyderabad are retiring at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. You are requested to reappoint the auditors and to fix their remuneration.

## 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.

By Order of the Board

ASHOK KOTHARI  
Managing Director.

Place: Hyderabad  
Date: 02.07.2008



## **AUDITORS CERTIFICATE AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

We have examined the compliance of conditions of corporate governance by MAHAVEER INFOWAY LIMITED for the year ended 31st March, 2008 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.

For KALYANA & Co.,  
Chartered Accountants

(CA. N.KALYANA SUNDAR)  
Partner

Place: Hyderabad  
Date: 02.07.2008.

## **SCHEDULE 17**

### **NOTES ON ACCOUNTS**

#### **1) SIGNIFICANT ACCOUNTING POLICIES:**

##### **i) ACCOUNTING CONCEPTS:**

- a) The accounts are prepared on historical cost basis in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 are adopted consistently by the Company.
- b) Accounting policy not specifically referred to otherwise are in consonance with the generally accepted accounting principles and are consistently followed by the Company.
- c) Financial statements of the company complies with Accounting Standards as required by Sec 211(3C) of the Companies Act, 1961.

##### **ii) 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.

##### **iii) VALUATION OF ASSETS**

Fixed Assets are carried at historical cost less accumulated depreciation.

##### **iv) DEPRECIATION:**

Depreciation is provided on written down value method, on pro-rata basis at the rate prescribed in Schedule XIV to the Companies Act, 1956.

##### **v) VALUATION OF INVESTMENTS**

1. Investments are valued at cost.
2. Investment includes 5000 shares of Arihant Optics Limited amounting to Rs.500000/- are yet to be transferred in the name of the Company.
3. Fixed Assets include Rs.4410000/- for a share in 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 in the name of one of the Director Sri Rajender Kothari for and on behalf of the company.
4. Gratuity and leave salary is accounted on cash basis.
5. Auditors remuneration includes Rs.20,000/- for audit fees and Rs.5,000/- for taxation matters.

vi) **SEGMENT REPORTING**

In the opinion of the management the company's business activity carried on during the year consist of one reportable segment and as such no separate reporting is given.

vii) **RELATED PARTY DISCLOSURE (AS-18)**

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.

Sl.No.	Name of the related party	Relationship with the party	Nature of Transaction	Volume of transaction during the year		Amount outstanding 31-03-2007	Payable Or Receivable
				Dr.	Cr.		
1	Communication Shoppe ext.		Advances				
	Communication Shoppe ext		Sales				
2	Mahaveer Skyscrapers Ltd.		Investment in shares				
3	<b>Key mangerial personnel :</b>						
A	Ashok Kothari	M.D	Advances Remuneration				
B	Vijay Kothari	Director	Advances Remuneration				
C	Jitender Bhansali	Director	Remuneration Loan				
D	Prasanna Dixit	Director	Remuneration Loan if, any				
E	Priya Dixit	w/o Director	Salary				
F	Rajender Kothari	Director					
G	Anitha V Kothari	w/o Director	Salary				

H	Leeladevi Jain	w/o MD	Rent
I	Any other		Deposit

**NOTE:** Related parties are as identified by the company and relied upon by the Auditors.

**viii) 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.

**ix) a)** 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.

b) 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.

<b>x) Foreign Exchange Outgo :</b>	NIL	
<b>xi) EARNING PER SHARE</b>	<u>31.03.2008</u>	<u>31.03.2007</u>
A) Profit/Loss after Tax on P&L A/c	4,59,064	3,66,124
B) Weighted No.of Equity Shares of Rs.10/- each Outstanding during the year	30,09,000	30,09,000
C) Earning per share	0.15	0.12

**xii)** Provision for FBT has been recognized on the basis of interpretation of Income Tax Act, 1961.

**2)** Previous year figures have been rearranged and regrouped wherever necessary in accordance with the current year figures.

Signature to schedule 1 to 17  
As per our Report of Even Date

For KALYANA & CO.  
Chartered Accountants

For and on behalf of the Board

CA. N.KALYANA SUNDAR  
(Partner)

ASHOK KOTHARI RAJENDER KOTHARI  
Managing Director Director

Place: Hyderabad  
Date: 02.07.2008

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

**I. Registration Details:**

Registration No.	12704	State Code	01
Balance Sheet Date	31.03.2008		

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

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

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

Total Liabilities	43973	Total Assets	43973
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**Sources of Funds:**

Paidup Capital	29493	Reserves & Surplus	1339
Share Application	-----	Unsecured Loans	6898
Secured Loans	6243		

**Application of Funds:**

Net Fixed Assets	8168	Investments	8294
Net Current Assets	27558	Miscellaneous Exp.	-----

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

Turnover	100274	Total Expenditure	99584
Profit/Loss before tax	689	Profit/Loss after Tax	459
Earning per Share in Rs.	-	Dividend Rate %	----

**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**  
Regd.Office: 7-1-24/2/C, #301/A, Dhansi Surabhi Complex,  
Greenlands, Ameerpet, Hyderabad – 500 016.

**PROXY FORM**

Regd.Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Saturday, the 30th day of July, 2008 at 11.00 A.M.

Signed this the \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Signature \_\_\_\_\_

**NOTE:** The instrument of proxy shall be deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting.

**A PROXY NEED NOT BE A MEMBER.**

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

**ATTENDANCE SLIP**  
**17th Annual General meeting – July 30th 2008**

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company.

I hereby record my presence at the 17th Annual General Meeting of the Company at the Regd.Office 7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad on Saturday, the 30th day of September, 2008 at 11.00 A.M.

Members/Proxy Name  
BLOCK LETTERS

Member/Proxy  
Signature

**NOTE:** Please fill in this attendance slip and hand it over at the Meeting Hall.