



MAHAVEER INFOWAY LIMITED



21st ANNUAL REPORT
2011-2012



Mahaveer
Infoway Ltd

**21st ANNUAL REPORT
2011-2012**

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. Ramesh Prasanna Dixit	Director
Mr. Rajender Kumar Jain	Director
Mr. Budhi Prakash toshniwal	Director
Mr. Vijay Kumar Taori	Director
Mr. Hanuman Das Malu	Director

Registered Office:

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

Auditors:

KALYANA & CO.
Chartered Accountants
3-6-520, Flat No. 204, 2nd Floor,
Ashoka Scintilla, Opp. KFC,
Himayat Nagar,
Hyderabad – 500029

Audit Committee:

Mr. Budhi Prakash Toshniwal
Mr. Vijay Kumar Taori
Mr. Vinit Maharia

Remuneration Committee:

Mr. Budhi Prakash Toshniwal
Mr. Vijay Kumar Taori
Mr. Vinit Maharia

Investor Grievance Committee:

- 1) Mr. Budhi Prakash Toshniwal
- 2) Mr. Vijay Kumar Taori
- 3) Mr. Vinit Maharia

Bankers:

Axis Bank Ltd

Listed / Traded at

Ahmedabad Stock Exchange Limited
Bombay Stock Exchange Limited (Indonext
Segment)

Registrar & Share Transfer Agents:

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

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Shareholders of Mahaveer Infoway Limited will be held on Saturday, the 29th September 2012 at 11.30 AM at the Registered Office of the Company situated at 7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad-500016, Andhra Pradesh, to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Auditors Report and Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2012, and the Balance Sheet as at that date.
2. To Declare dividend on equity share capital.
3. To appoint a director in place of Mr. Budhi Prakash Toshniwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Vijay Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Kalyana & Co Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board of Directors.

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 pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 and Rules framed there under, the existing Articles of Association of the Company be and is hereby amended as under :

- i) After Article 61 (2) of the Articles of Association of the Company, the following new Article 61(3) shall be inserted:

61(3): The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.

- ii) After Article 107 of the Articles of Association of the Company, the following new sub article 107A shall be inserted:

107A: Directors may participate in Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force."

"FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to carry out the above mentioned amendments in the existing

Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will be closed from 26.09.2012 to 29.09.2012 (Both days inclusive).
4. Members are requested to produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
5. A Member desirous of receiving any information on the accounts or operations of the company is requested to forward his/her queries to the Company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/Telephone Bill, Driving License or a copy of passport and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.
7. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
8. It shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTAs for registration of such transfer of shares, for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies.
9. 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 are requested to update their E-Mail ID with their DP.

For and on behalf of the Board of

Mahaveer Infoway Limited

Sd/-

Ashok Kumar Jain
Managing Director

Place: Hyderabad
Date: 03.08.2012

EXPLANATORY STATEMENT

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

Item 6:

The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated May 20, 2011 and Circular No. 35/2011 dated June 06, 2012 have permitted the companies to hold Board Meetings and Shareholders' Meetings through video conference facility, as part of the Green Initiatives under Corporate Governance.

Further, MCA vide Circular No. 72/2011 dated December 27, 2011 made the video conference facility at the Shareholders' Meetings optional to the Company. In order to provide video conference facility to its Directors and Shareholders, your Company has been advised to carry out necessary amendments in the existing Articles of Association of the Company by inserting enabling provisions. In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company.

The Articles of Association with alterations proposed therein as referred to in the Notice shall be available for inspection by the Members at the Registered Office of the Company on any working day during usual business hours up to the date of the Meeting and will also be available at this Annual General Meeting.

Accordingly, your Board recommends passing of the Resolution No. 6 as a Special Resolution.

None of the Directors is interested or concerned in this Resolution.

For and on behalf of the Board of
Mahaveer Infoway Limited

Sd/-

Ashok Kumar Jain
Managing Director

Place: Hyderabad
Date: 03.08.2012

DIRECTOR'S REPORT

To,

The Shareholders

Your Directors have pleasure in presenting the 21st Annual Report with Audited Statements of Accounts of the Company for the financial year ended 31st March 2012.

FINANCIAL RESULTS:

The financial results of the company are as follows:

PARTICULARS	2011-2012(in Rs.)	2010-2011(in Rs.)
Sales and Services	23,35,88,440	23,74,13,548
Income From IT Activities	80,95,324	34,47,367
Other Income	3,95,27,437	3,57,67,819
Profit before tax	31,97,520	1,18,13,402
Provision for Tax (Including Deferred Tax)	10,50,418	36,33,771
Profit After Tax	21,47,102	81,79,631
Profit Brought From Previous Year	76,00,766	26,33,124
Profit available for appropriation	97,47,868	1,08,12,755
Dividend on Equity Shares	13,77,250	27,54,500
Provision Corporate Dividend Tax	2,23,424	4,57,488
Balance carried to Balance Sheet	81,47,194	76,00,766

OPERATIONS AND PROSPECTS: REVIEW OF OPERATIONS:

The Ministry of Corporate Affairs (MCA) vide notification no. S.O. 447(E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from 1st April, 2011. The financial statements of your Company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly, the previous year's figures have been reclassified/ regrouped to conform to this year's classification.

The Company has recorded a turnover of Rs. 23.35 crores in the current year and made a net profit of Rs. 5.46 lacs compared to Rs. 23.74 crores and 49.67 Lakhs respectively for the financial year 2010-11. 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.0.25. per share for your approval.

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 the Ahmedabad Stock Exchange and are being traded on IndoNext Model of Bombay Stock Exchange.

CAPITAL OF THE COMPANY:

The Authorized capital of the company stands at Rs. 60,000,000 divided into 6,000,000 equity shares of Rs10/- each. The Paid up capital of the company stands at Rs. 55,090,000 divided into 5,509,000 equity shares of Rs.10/- each.

SUBSIDIARY COMPANY:

The Company has 2 (Two) Indian Subsidiaries as on 31.3.2012. Mahaveer Projects Private Limited and Mahaveer Telecom Private Limited

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

DIRECTORS:

During the year, Mr. Budhi Prakash Toshniwal and Mr. Vijay Jain, Directors of the Company who retires by rotation and being eligible, offers himself for re-appointment at this ensuring Annual General Meeting. Your Directors recommend their re-appointment.

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	:	Rs. 10.55 Lakhs
Foreign Exchange Outgo	:	Rs. 612.80 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 their 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, Managing 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

Mahaveer Infoway Limited

Sd/-

Ashok Kumar Jain
Managing Director

Place: Hyderabad
Date: 03.08.2012

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:

Sl. No.	Name of the Category Director	Category	No. of Directorships held in other Public companies	No. of Membership/ Chairmanship held in / committees of other companies
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. Budhi Prakash Toshniwal**

Mr. Budhi Prakash Toshniwal, aged 52 years is a Commerce graduate and has more than three decades of experience in various fields. He has vast experience in export import business. Mr. Budhi Prakash is not entitled to any remuneration except the sitting fees.

- Mr. Vijay Jain**

Mr. Vijay Jain, director of the Company, possess experience in project management and applicable life cycle management. Involved in delivering various application development and maintenance solution to clients in various industries.

Board Meetings

During the Financial Year 2011-2012, the Board of Directors met 6 times on the following dates: 15.04.2011, 24.05.2011, 20.07.2011, 16.08.2011, 29.10.2011 and 31.01.2012. 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	6	6	Yes

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 three non-executive and independent Directors

Composition, name of Members and Chairman:

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

The Committee met 4 times on 30.04.2011, 20.07.2011, 29.10.2011 and 31.01.2012.

Meetings and attendance during the year 2011-2012.

Name of the Director	No. of meetings	Attendance
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 28.10.2011.

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

Name	Designation
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
2010-11	16.08.2011	10.00A.M	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	(i) Increase in authorised Share Capital of the Company. (ii) Issue of equity shares on the basis of follow on Public Issue. (iii) Raising of funds through issue of ABR/ GDR/FCCB/QIP.
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

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

Day : Saturday
Date : 29th September, 2012
Time : 11.30 A.M
Venue : 7-1-24/2/C, # 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad

ii) Financial Calendar

Financial Reporting for 2012-2013 (tentative)
The first quarter results On or before 14.08.2012
The second quarter results On or before 14.11.2012
The third quarter results On or before 14.02.2013
The fourth quarter results On or before 15.05.2013

iii) Book Closure : 26th September, 2012 to 29th September, 2012 (both dates inclusive)

iv) Dividend payment : Rs.0.25 per equity share

v) Listing on Stock Exchanges:

The Shares of the company are listed on Ahmedabad Stock Exchange Limited and Traded on Bombay Stock Exchange Limited. The Company has paid Annual Listing Fees for the year 2012-13.

vi) Market Price Date

The monthly high / low prices of shares of the Company from April, 2011 to March, 2012 at Bombay Stock Exchange .The Company's shares are not traded on Ahmedabad Stock Exchange.

Month	High (Rs.)	Low (Rs.)
April ,2011	28.60	18.25
May,2011	31.70	21.55
June,2011	38.00	27.70
July,2011	28.00	14.20
August,2011	18.40	10.50
September, 2011	26.50	12.00
October, 2011	23.95	16.30
November, 2011	18.50	11.00
December, 2011	17.24	10.93
January, 2012	13.58	10.06
February, 2012	12.95	10.15
March, 2012	12.70	8.16

Shareholding pattern as on 31st March, 2012

	CATEGORY	No. of Shares Held	%of Share Holding
A.	Promoters Holding		
1.	Promoters & group		
	-Indian Promoters	22,85,399	41.48
	-Foreign Promoters	-	-
B.	Public Share Holding		
2.	Institutional Investors	-	-
	a. Mutual Funds/UTI	-	-
	b. Banks, FIs, Insurance Companies	-	-
	c. FIs	-	-
3.	Others	-	-
	a. Body Corporate	2,19,418	3.98
	b. Indian Public (Holding more than 1 lac)	17,13,317	31.11
	c. Indian Public (Holding less than j1 lac)	9,25,615	16.80
	d. NRIs/s & OCB'S	29,858	0.54
	d. NRIs/s & OCB'S	-	-
	e.Directors & their Relatives & Friends	-	-
	f. clearing member	3,35,393	6.09
	Grand Total	55,09,000	100

viii) Registrar and Transfer Agents

Venture Capital and Corporate Investments Private Limited,
12-10-167, Bharat Nagar, Hyderabad - 500018
Email: 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
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.

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. 48,56,199 equity shares are dematerialized which is around 88% of the paid up capital of the Company and out of which 40,72,565 shares are in CDSL and 7,83,634 shares are in NSDL.

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.

There is no 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: 03.08.2012

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: 03.08.2012

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, 2012 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: 03.08.2012.

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, IT 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: Biggest Importer of Zink Mobiles, hugely trading in Nokia, Samsung and HTC and Distributors for Micromax and Videocon.

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.
- 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.
- Wide Distribution reach in South India.

Weaknesses

- Price Fluctuation, Dollar inflation & sensitive Telecom markets.
- Low management bandwidth.
- Lower Exposure to overseas Telecom markets.

Opportunities

- Building handset manufacturing capabilities in India.
- Export opportunities to emerging African markets in Telecom and IT.
- Building own Retail formats to cater to the growing telecom market.

Threats

- Strong lobbying by Class 'A' Players against the emerging manufacturers
- Government Policies against imported assembled Handsets.

2. IT Services

At Mahaveer Infoway, under managed services our focus is to bring value to our clients through continuous innovation with end to end software lifecycle for Web based and Mobile based solutions in various domains like Healthcare, Realty, KPO, Lab Facility, Education CMS, logistics and many more. A team comprising of senior tech leads and managers from various MNC'S have joined hands and are focused on building robust solutions.

Under Unmanaged services, Mahaveer infoway has incubated several startups as strategic partners by providing man power and standard infrastructure, it also provides staffing augmentation to various CMMI Level Organizations and SME'S.

Key accounts include Wipro,3I Infotech and startups like Acuvate, Savitr, PGC Infotech.

SWOT ANALYSIS

Strengths

- Senior Management from various big IT Organizations.
- Presence in Chennai, Bangalore and head quartered in Hyderabad.
- Mil partners with HP software, Cenzic, IBM and Microsoft, hence improving credibility in the market.

Weaknesses

- Attrition in Human resources in middle and lower management.
- Low management bandwidth.
- Lower Exposure to overseas IT markets.

Opportunities

- In pursuit of appointing Country Managers in both US and UK for Managed services.
- Exploring untapped markets like tier 2 cities in India and African markets abroad.

Threats

- Mass Hiring by Larger Organizations, leaving SME's with not much quality consultants.
- Anti outsourcing policies from the hugely profitable US and European IT Markets.

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. It plans to reach out to more than 5000 professionals for coming next year which is at 1000% growth.

SWOT ANALYSIS

Strengths

- Very Niche programmes' and very few players in the same domain.
- Planning to come up with Online Learning for the same.

Weaknesses

- Recognition by Private bodies for distance education is not great.

Opportunities

- Huge Market for distance education as it is the most viable form of education for both working and job-seekers who fall under below povert line in India.

Threats

- Foreign Universities entering Indian Market providing distance education programmes.

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 SERVICES- OVERVIEW

Service Offering Include

- Providing web (.net/sharepoint/java/php) and mobile based (android/iphone) business applications and solutions for various domains.
- Staff augmentation by maintain bench resources of bright and outstanding performers on various technologies.
- Functional Manual testing, Functional Automation Testing-QTP, Silk Test, Sekenium, Performance Testing and Re-engineering-Silk Performer, Load Runner, Jmeter and building Automation Frameworks, API Testing , Scalability Testing etc.

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 statues 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.23.35 Crores during the year 2011-12 compared to Rs.23.74 Crores in the year 2010-11 and earned a net profit of Rs.5.46 lakhs in the year 2011-12 as compared to Rs. 49.68 lakhs in the year 2010-11.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAHAVEER INFOWAY LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s MAHAVEER INFOWAY LIMITED, Hyderabad which comprise the Balance Sheet as at 31st March 2012, and the statements of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our auditing accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) in the case of the Statement of Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Place : Hyderabad
Date: 29.05.2012

(CA. N.KALYANA SUNDAR)
Partner, M.No :- 204247
KALYANA & Co.,
Chartered Accountants
FRN: 007095S

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 3 of our report of even date)

1.
 - a. The Company is in the process of updating records to show full particulars, including quantitative details and situation of fixed assets.
 - b. All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. No substantial part of Fixed Assets has been disposed off during the year.
2.
 - a. The physical verification of inventory, as per the management's certificate, has been conducted at reasonable intervals by the management.
 - b. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory and any discrepancies noticed on physical verification are being properly dealt in the books of accounts.
3. According to the information and the explanations given to us the regarding whether company has granted or taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - a) The company has given unsecured loans to five parties covered in the register maintained under section 301 of Companies Act, 1956. The yearend balance of such loan is Rs. 1,19,71,958/-
 - b) In our opinion, the rates of interest for above loans are not prima facie, prejudicial to the interest of the company. However, the above loans include Rs. 4,16,970/- given to directors and Rs. 28,69,201/- to subsidiary company as interest free loans. Tenure and repayment terms have not been specified for such loans.
 - c) The company has taken unsecured loans from four parties covered in the register maintained under section 301 of Companies Act, 1956. The yearend balance of such loans are Rs. 27,28,321/-
 - d) The above loans taken from directors and relatives of directors are interest free loans and the tenure, repayment terms have not been specified for such loans.
 - e) According to the information and explanation given to us, the tenure and repayment terms not been specified for the above mentioned loans. Consequently we are unable to comment on paragraph 4(iii) (c),(d) & (g) of the order.
4. In our opinion and according to the information and explanations given to us, the internal control procedures with regard to inventory and fixed assets and for sale of goods are being strengthened to be commensurate with the size of the Company and the nature of the business.
5.
 - a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in 5(a) above and exceeding the value of Rs.5 lakhs with any party during the year have been made at

prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted deposits from the public and the provisions of Section 58A and 58AA of the Act, rules framed there under and other relevant directives issued by the Reserve Bank of India are not applicable to the Company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business. However, the scope and extent of internal audit need to be enlarged having regards to complexity and expanded operation of the company.
8. The Company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act.
9. In respect of statutory dues:
 - a) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, sales tax, and cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.
10. The Company has not incurred cash loss during the current financial Year and the previous financial year and there are no accumulated losses as on the balance sheet date.
11. According to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from bank or financial institutions.
14. The term loans were applied for the purpose for which the loans were obtained.
15. The funds raised by the Company on short-term basis have not been used for long-term investment and vice versa.
16. The Company has not made Preferential Allotment of shares to parties and companies covered in the register maintained U/s.301 of the Act during the year.
17. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore Paragraph 4 (xii) of the order relating to maintenance of documents and records is not applicable.
18. The provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company and therefore Paragraph 4(xiii) of the order is not applicable.
19. The Company is not dealing or trading in shares, securities, debentures or other investments and therefore Paragraph 4(xiv) of the order is not applicable.
20. During the year covered by our Audit Report, the Company has not raised any money by public issue and therefore Paragraph 4(xx) of the order is not applicable.
21. During the course of our examination of books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company was noticed or reported during the year, nor have we been informed of any such case by the management of the company.

(CA. N.KALYANA SUNDAR)
Partner, M.No :- 204247
KALYANA & Co.,
Chartered Accountants
FRN: 007095S

Place : Hyderabad
Date: 29.05.2012

MAHAVEER INFOWAY LTD
BALANCE SHEET AS AT MARCH 31, 2012

(Amount in Rupees)

Particulars	Note No.	As at the 31st March 2012	As at the 31st March 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	55,090,000	55,090,000
(b) Reserves and surplus	3	8,626,943	8,080,515
2 Non-current liabilities			
(a) Long-term borrowings	4	861,196	842,750
(b) Deferred tax liabilities (net)	5	980,728	951,097
3 Current liabilities			
(a) Short-term borrowings	6	44,972,032	22,925,960
(b) Trade payables	7	50,824,416	9,552,690
(c) Other current liabilities	8	6,023,581	776,938
(d) Short-term provisions	9	5,904,822	7,480,940
		-----	-----
TOTAL		173,283,718	105,700,890
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		7,177,602	5,067,398
(iii) Capital work-in-progress		921,164	-
(b) Non-current investments	11	16,740,906	10,603,870
2 Current assets			
(a) Inventories	12	58,393,404	21,747,789
(b) Trade receivables	13	55,565,369	41,291,120
(c) Cash and cash equivalents	14	4,588,572	2,476,018
(d) Short term loans and advances	15	22,024,604	17,024,484
(e) Other current assets	16	7,872,097	7,490,211
TOTAL		173,283,718	105,700,890

Significant Accounting Policies 2

The Notes 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

For and on behalf of the Board of Directors

KALYANA & CO

Firm Registration Number: 007095S

Ashok Kumar Jain

Rajender Kumar Jain

Chartered Accountants

Managing Director

Director

CA N Kalyana Sundar

Partner

Membership No. 204247

Place: Hyderabad

Date: 29.05.2012

MAHAVEER INFOWAY LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012
(Amount in Rupees)

Particulars	Refer Note No.	For the Year ended 31st March , 2012	For the Year ended 31st March , 2011
I. Revenue From Operations			
Sale less Returns		233,588,440	237,413,548
II. Other income	17	47,622,761	39,215,186
III. Total Revenue (I + II)		281,211,201	276,628,734
IV. Expenses:			
Purchases less Returns		269,007,398	243,623,041
(Increase)/Decrease in Stock		(36,645,615)	(9,778,814)
Operating Expenses	18	15,403,390	8,156,896
Administrative and Other Expenses	19	24,881,711	20,045,216
Depreciation expense	10	820,787	557,950
Interest	20	4,546,011	2,211,043
		-----	-----
Total expenses		278,013,681	264,815,332
V Profit before tax (III- IV)		3,197,520	11,813,402
VI Tax expense:			
(1) Current tax		1,020,787	2,593,827
(2) Minimum Alternate Tax		-	-
(3) Deferred tax		29,631	1,039,944
		-----	-----
		1,050,418	3,633,771
VII Profit (loss) for the period (V- VI)		2,147,102	8,179,631
VIII Earnings per equity share:			
(1) Basic	21	0.39	1.48
(2) Diluted			

Significant Accounting Policies 2

The Notes 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

KALYANA & CO

Firm Registration Number: 007095S

Chartered Accountants

For and on behalf of the Board of Directors

Ashok Kumar Jain

Managing Director

Rajender KumarJain

Director

CA N Kalyana Sundar

Partner

Membership No. 204247

Place: Hyderabad

Date: 29.05.2012

2. Share Capital

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
Authorised		
60,00,000 Equity Shares of Rs. 10 each	60,000,000	60,000,000
Issued, Subscribed & fully Paid up		
55,09,000 Equity Shares of Rs. 10 each	55,090,000	55,090,000
Total	55,090,000	55,090,000

a) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	Equity Shares As at 31 March 2012		Equity Shares As at 31 March 2011	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held
Ashok Kumar Jain	7.87	433,789	7.87	433,789
Vijay Kumar Kothari	7.78	428,500	7.78	428,500
Rajender Kumar Jain	5.37	296,000	5.37	296,000
Surya Prakash Heda	0.00	-	5.46	300,700

3. Reserves and Suplus

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
a. Reserve Fund (Statutory)		
Opening Balance	479,748	479,748
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	479,748	479,748
b. Surplus		
Opening balance	7,600,767	2,633,124
(+) Net Profit/(Net Loss) For the current year	2,147,102	8,179,631
(-) Dividend	1,377,250	2,754,500
(-) Dividend Tax and Surcharge thereon	223,424	457,488
Closing Balance	8,147,195	7,600,767
Total	8,626,943	8,080,515

4. Long term borrowings

Particulars	As at 31 March 2012	As at 31 March 2011
Axis bank Term Loan	861,196	842,750
Total	861,196	842,750

MAHAVEER INFOWAY LTD**Computation of Deferred Income Taxes**

Particulars	Book Value	31-Mar-11	
		Tax Value	Difference
Fixed Assets	7,177,602	4,225,160	2,952,442
Total of Fixed Assets (Liability)	7,177,602	4,225,160	(2,952,442)
Total Assets	-	-	-
Total timing difference	7,177,602	4,225,160	2,952,442
Deferred Tax (Liability) Asset (@33.2175%)			980,728
Deferred Tax (Liability) asset provided up to 31.03.2011			951,097
Balance to be created			29,631

6. Short term borrowings

Particulars	As at	
	31 March 2012	31 March 2011
Cash Credit from Axis Bank	35,693,711	19,457,590
Loans from Directors	1,728,321	662,160
Others	7,550,000	2,806,210
	-----	-----
Total	44,972,032	22,925,960
7. Trade Payables		
Dues to Micro and Small Enterprises	-	-
Dues to other than Micro and Small Enterprises		
(a) Trade Payables (including LC Payments)	50,824,416	9,552,690
	-----	-----
Total	50,824,416	9,552,690
8. Other current liabilities		
Other current Liabilities	6,023,581	776,938
	-----	-----
Total	6,023,581	776,938
9. Short term provisions		
Provision for taxation	1,020,787	4,268,952
Dividend on Equity Shares	1,377,250	2,754,500
Provision for Corporate Dividend Tax	223,424	457,488
Other provisions	3,283,361	-
	-----	-----
Total	5,904,822	7,480,940

10. Depreciation Schedule as per Companies Act, 1956
SCHEDULE 5

S. No.	Particulars	GROSS BLOCK			DEPRECIATION				NETBLOCK		
		As on 1.04.2011	Additions	Deletions	As on 31.03.12	As on 1.04.2011	For Current year	Dep Adjustment	As on 31.03.12	As on 31.03.12	As on 31.03.11
1	Land & Bldg	3,299,678	-	-	3,299,678	-	-	-	-	3,299,678	3,299,678
2	Plant & Machinery	438,297	236,221	-	674,518	168,566	62,190	-	230,756	443,762	269,731
3	Computers	2,327,242	533,002	-	2,860,244	2,128,123	181,108	-	2,309,231	551,013	199,119
4	Office Equipment	25,100	-	-	25,100	11,668	1,868	-	13,536	11,564	13,432
5	Furniture & Fixtures	1,983,995	111,020	-	2,095,015	1,493,142	103,705	-	1,596,847	498,168	490,853
6	Vehicles	1,927,048	2,050,748	-	3,977,796	1,132,463	471,915	-	1,604,378	2,373,418	794,585
		10,001,360	2,930,991	-	12,932,351	4,933,962	820,787	-	5,754,749	7,177,602	5,067,398
	Previous Year	12,198,612	2,212,748	4,410,000	10,001,360	4,376,012	557,950	-	4,933,962	5,067,398	7,822,599

11. Non-current investments

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
Mahaveer Skyscraper Limited (Equity)	2619000	2619000
Mahaveer Telecom Pvt Limited (Equity)	75,000	18,430
Mahaveer Projects Pvt Limited (Equity)	98,000	14,095
Leo Infrastructure	3,600,000	3,600,000
Arihant Optics Ltd	500,000	500,000
Hygrowth Finance	15,000	15,000
Minfy Impex	9,830,856	3,834,295
AP Mahes Co-op Bank	3,050	3,050
Total	16,740,906	10,603,870
12. Inventories		
(As certified by the management, at cost or net realisable value which ever is less)		
Closing Stock	58,393,404	21,747,789
Total	58,393,404	21,747,789
13. Trade Receivables		
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	55,565,369	41,291,120
Total	55,565,369	41,291,120

14. Cash and bank balances

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents		
Cash on hand	3,955,691	2,208,170
Bank balances In current accounts	632,881	267,848
	-----	-----
Total	4,588,572	2,476,018

15. Short term loans and advances**Unsecured Considered good**

Advances recoverable in cash or kind or for value to be received	21,057,574	12,816,675
Other Loan advances		
Advance income tax and TDS	967,030	4,207,809
	-----	-----

Total	22,024,604	17,024,484
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16 Other current assets**Unsecured Considered good:**

Deposits	7,862,097	7,480,211
Other Current Assets	10,000	10,000
	-----	-----

Total	7,872,097	7,490,211
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17. Other Income

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest Income	2,823,557	2,031,378
Other Income	19,416,381	14,227,648
Income Webdevelopment	-	130,766
Profit on sale of land	-	7,574,000
Miscellaneous income	477,924	9,204,912
Staffing Income	8,095,324	3,316,601
Discount received	16,581,311	2,729,881
Dividend Income	35,280	-
Education Division Income	192,984	-
	-----	-----
Total	47,622,761	39,215,186

18. Operating Expenditure

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
Advertisement Expenses	134,373	34,033
Electricity Charges	218,378	165,683
Communication Expenses	398,795	361,098
Travelling and Conveyance	795,091	229,776
Miscellaneous Expenses	473,950	47,448
Postage & Courier Expenses	207,693	68,847
Rent	1,079,525	776,700
Staff Welfare Expenses	734,380	288,325
Salaries and Bonus	9,220,897	3,864,408
Managing Directors Remuneration	300,000	300,000
Other Directors Remuneration	833,304	833,304
Reparis and Maintanance	100,437	209,944
Office Maintanance	171,341	266,374
Exchange gain/loss	360,476	-
CST Paid	374,750	710,956
	-----	-----
Total	15,403,390	8,156,896
19. Adminstrative and Other Expenses		
Rates and Taxes	-	494,778
Legal and Consultancy Charges	102,950	671,642
Insurance	137,744	68,561
Payment to Auditors	75,000	50,000
DTH & other related Exp. (Vediocon & Reliance)	18,767,756	13,408,631
Printing & Stationary	218,299	80,817
Bank Charges	884,162	85,915
Commission paid	-	500,000
General Expenses	204,653	158,135
Annual Charges	51,000	96,600
Filing & Listing Fees	21,834	47,023
Business Promotions	3,819,391	3,059,501
Staffing Expenses	587,010	959,993
Misc. expenses	11,912	363,621
	-----	-----
Total	24,881,711	20,045,216
20. Interest & Finance Charges		
Interest & Finance Charges	4,546,011	2,211,043
	-----	-----
Total	4,546,011	2,211,043

MAHAVEER INFOWAY LTD
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

Particulars	2011-2012	2010-2011
Cash Flow From Operating Activity :		
Net Profit for Year carried to B/S	546,428	4,967,643
Adjustments for :		
Provisions	2,651,092	6,845,759
Depreciation	820,787	557,950
Finanacial Charges	4,546,011	2,211,043
Interest Received	(2,823,557)	(2,031,378)
Dividend Received	(35,280)	-
Profit on Land Sale	-	(7,574,000)
Tax paid debited to P&L	-	252,942
Sundry balances Written off	-	588,655
Cash Flow before Working Capital Changes	5,705,480	5,818,614
(Increase)/Decrease in Debtors	(14,274,249)	(1,697,691)
(Increase)/Decrease in stock	(36,645,615)	(9,778,814)
(Increase)/Decrease in Advances	(5,000,121)	(1,078,405)
(Increase)/Decrease in other Current Assets	(381,886)	(6,307,930)
Increase/(Decrease) in Current Liabilities	42,320,792	(5,476,135)
Cash Flow after Working Capital Changes	(5,406,397)	(18,520,361)
Less : Tax paid	-	(252,942)
Net Cash Flow from Operating Activities	(5,406,397)	(18,773,303)
Cash Flow From Investing Activity :		
Sale/(Purchase) of Fixed Assets	(3,852,155)	9,271,252
Interest Received	2,823,557	2,031,378
Dividend received	35,280	-
Sale/(Purchase) of Investment	(6,137,036)	(3,619,820)
Net Cash Flow from Investing Activities	(9,999,555)	7,682,810
Cash Flow From Financing Activity :		
Financial Charges	(4,546,011)	(2,211,043)
Secured Loan raised	16,254,568	12,528,278
Unsecured Loans raised/repaid	5,809,950	265,677
Net Cash Flow from Financing Activities	17,518,507	10,582,912
Net Cash Flow from Operating Activities	(5,406,397)	(18,773,303)
Net Cash Flow from Investing Activities	(9,999,555)	7,682,810
Net Cash Flow from Financing Activities	17,518,507	10,582,912
	2,112,555	(507,581)
Add: Opening Cash and Cash Equivalents	2,476,017	2,983,598
Closing Cash and Cash Equivalents	4,588,572	2,476,017

Place : Hyderabad
Date : 29.05.2012

Ashok Kothari
Managing Director

Rajender Kothari
Director

AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of Mahaveer Infoway Ltd derived from the audited annual accounts for the year ended 31-3-2012 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
Date : 29-05-2012

Note 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Assumptions

The Financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Accounting Standards ('AS') prescribed by Companies (Accounting Standards), Rules, 2006 (as amendment) the provisions of the Companies Act, 1956, to the extent applicable. These accounting policies will be consistently applied. The Board will evaluate the effect of accounting standards issued on an on-going basis and ensure they are adopted as mandated by the ICAI.

Use of Estimates

In the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Board to make estimates and assumptions that will affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates will be recognized prospectively in current and future periods.

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.

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.

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.

Employee Benefits

Gratuity liability under the Payment of Gratuity Act, if any, 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

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

- a) Provision for current taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.
- b) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in the future; however where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.
- c) The Company offsets current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Cash flow statement

Cash flows are reported using indirect method, whereby the net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require outflow or resources.

Note to Accounts

21. Earnings per Share (EPS)

Particulars	2012	2011
Net Profit/ (Loss) after taxes for the year (Rs.)	21,47,102	8,179,631
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	5,509,000
Earnings per Share Basic and Diluted (Rs.)	0.39	1.48
Nominal value per share (Rs.)	10	10

22. 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

23. Investments

- a. Investment includes 5000 shares of Arihant Optics Limited amounting to Rs.500000/- are to be transferred in the name of the Company.
- b. Investment includes Rs.98,000/- towards subscription of shares in Mahaveer Projects Private Limited.
- c. Investment includes Rs.75,000/- towards subscription of shares in Mahaveer Telecom Private Limited.

24. Fixed Assets

Capital Work-in-progress:

Company has incurred an expenditure of Rs. 9,21,164/- towards construction of building at Hubli, which is certified by the management of the company, is shown as capital work-in-progress.

25. 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 by management.

26. 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 need 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 Jain Director
	Mr.Jitendra Bhansali Director
	Mr.Prasanna Dixit Director
	Mr. Hanuman Das Malu Director
	Mr Vinit 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)

Particulars	2012	2011
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Remuneration to KMP 11,33,304		11,33,304
Rent Paid to relative of KMP	6,00,000	6,00,000
Loans and advances taken from KMP	17,28,321	6,62,161
Loans and advances given to KMP	4,16,970	4,82,210
Loans and advances taken from relatives of KMP	10,00,000	Nil
Loans and advances given to relatives of KMP	86,85,787	80,00,000
Rent deposits with relatives of KMP	8,00,000	8,00,000
Purchase of goods from Subsidiary (MTPL)	40,21,784	Nil
Loans and advances given to Subsidiary (MTPL) (Interest free Loan)	28,69,201	Nil

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)

Particulars	2012	2011
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Loans and advances taken from KMP	27,28,321	6,62,161
Loans and advances given to KMP	4,16,970	4,82,210
Loans and advances taken from relatives of KMP	10,00,000	Nil
Loans and advances given to relatives of KMP	86,85,787	80,00,000
Trade Payable to Subsidiary (MTPL)	29,49,946	Nil
Loans and advances given to Subsidiary (MTPL)	28,69,201	Nil
Rent Deposit with relative of KMP	8,00,000	8,00,000

27. 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. Company made necessary groupings for taxes and accordingly made for Corporate Dividend Tax for the Financial Year 2010-11.

28. Company has not paid any interest nor 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, 2012.

29. Managerial Remuneration:

(Amount in Rupees)

Particulars	2012	2011
Salaries and Allowances	11,33,304	11,33,304
Total	11,33,304	11,33,304

30. Auditors' Remuneration

(Amount in Rupees)

Particulars	2012	2011
Audit Fees (excluding service tax)	75000	50,000
Total	75000	50,000

31. 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.

32. Foreign Exchange Outflow

(Amount in Lakhs)

Particulars	2012	2011
Purchase of Mobiles and other traded goods	612.80	73.00
Total	612.80	73.00

33. Foreign Exchange Inflow

(Amount in Lakhs)

Particulars	2012	2011
Services rendered	10.55	Nil
Total	10.55	Nil

34. 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.

35. 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.

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

For and on behalf of

KALYANA & CO

Firm Registration Number: 007095S

Chartered Accountants

CA N Kalyana Sundar

Partner

Membership No. 204247

Place: Hyderabad

Date: 29.05.2012

For and on behalf of the Board

Ashok Kumar Jain

Managing Director

Rajender Kumar Jain

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 21st Annual General Meeting of the Company to be held on Saturday, 29th day of September, 2012 at 11.30 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 _____, 2012

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 21st Annual General Meeting of the members of the company to be held on Saturday, 29th day of September, 2012 at 11.30 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.



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Head Office:
MAHAVEER INFOWAY LIMITED
7-1-24 / 2 / C, 301 / A, Dhansi Surabhi Complex,
Greenlands, Hyderabad - 500 016, A.P.

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