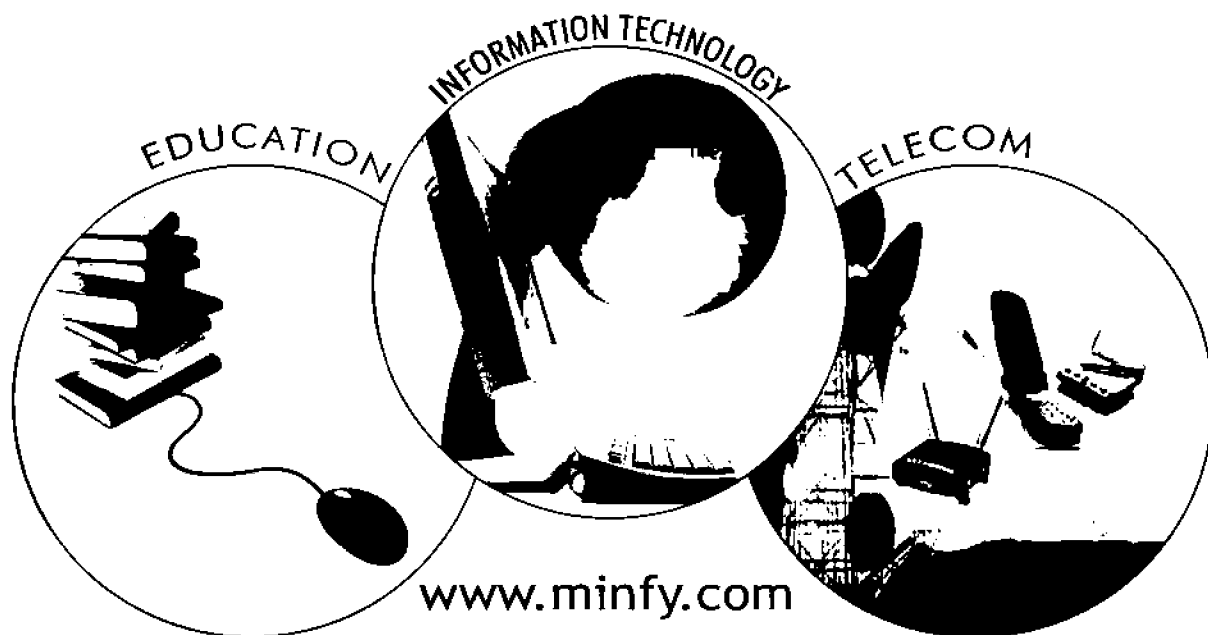




# MAHAVEER INFOWAY LIMITED



**21st ANNUAL REPORT**  
**2011-2012**



**Mahaveer**  
Infoway Ltd

**21<sup>st</sup> 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

### Investor Grievance Committee:

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

### Auditors:

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

### Bankers:

Axis Bank Ltd

### Listed / Traded at

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

### 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

### 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.