



# MAHAVEER INFOWAY LIMITED



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**25<sup>th</sup> ANNUAL REPORT**  
**2015 - 2016**



## **25<sup>th</sup> ANNUAL REPORT 2015-2016**

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

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## **CORPORATE INFORMATION**

|                                   |   |
|-----------------------------------|---|
| <b>CORPORATE IDENTITY NUMBER:</b> | L65910TG1991PLC012704   |
| <b>WEBSITE:</b>                   | www.minfy.com   |
| <b>INVESTOR E-MAIL ID:</b>        | cs@minfy.com  |
| <b>CONTACT NO.:</b>               | <b>+91 40 66134054/55</b>   |
| <b>REGISTERED OFFICE:</b>         | 7-1-24/2/C, 301/A, Dhansi Surabhi Complex,<br>Greenlands, Ameerpet, Hyderabad-500016,<br>Telangana. |
| <b>BRANCH OFFICE:</b>             | 1 <sup>st</sup> Floor, Old Income-Tax Building, Vidyanagar,<br>Hubli - 580021,                      |

### **BOARD OF DIRECTORS:**

|    |                              |                   |                 |
|----|------------------------------|-------------------|-----------------|
| 1. | Mr. Ashok Kumar Jain         | Managing Director | (DIN: 00043840) |
| 2. | Mr. Vinit Maharia            | Director          | (DIN: 02075755) |
| 3. | Mr. Vijay Jain               | Director          | (DIN: 02321195) |
| 4. | Mr. Jeetendra Kumar Bhansali | Director          | (DIN: 02894546) |
| 5. | Mr. Ramesh Prasanna Dixit    | Director          | (DIN: 02894687) |
| 6. | Mr. Rajender Kumar Jain      | Director          | (DIN: 03093801) |
| 7. | Mr. Budhi Prakash Toshniwal  | Director          | (DIN: 00147869) |
| 8. | Ms. A Neelima Reddy          | Director          | (DIN: 00162177) |
| 9. | Mr. Harinarayan Vyas         | Director          | (DIN: 07120883) |

### **BOARD COMMITTEES**

#### **AUDIT COMMITTEE:**

|                             |          |
|-----------------------------|----------|
| Mr. Budhi Prakash Toshniwal | Chairman |
| Mr. Vinit Maharia           | Member   |
| Ms. A Neelima Reddy         | Member   |
| Mr. Harinarayan Vyas        | Member   |

#### **NOMINATION & REMUNERATION COMMITTEE:**

|                             |          |
|-----------------------------|----------|
| Mr. Vinit Maharia           | Chairman |
| Mr. Budhi Prakash Toshniwal | Member   |
| Ms. A Neelima Reddy         | Member   |
| Mr. Harinarayan Vyas        | Member   |

## **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

|                             |          |
|-----------------------------|----------|
| Ms. A Neelima Reddy         | Chairman |
| Mr. Budhi Prakash Toshniwal | Member   |
| Mr. Vinit Maharia           | Member   |
| Mr. Harinarayan Vyas        | Member   |

## **AUDITORS:**

### **STATUTORY AUDITORS**

#### **KALYANA & CO.**

##### **Chartered Accountants**

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

### **SECRETARIAL AUDITORS**

#### **S.S. REDDY & ASSOCIATES**

##### **Practicing Company Secretary**

Plot No.6-3-354/13, A1, Suryateja  
Apartments, Hindi Nagar, Panjagutta,  
Hyderabad-500034

## **BANKERS:**

Axis Bank Limited

## **REGISTRAR & SHARE TRANSFER AGENTS:**

### **M/s. Venture Capital and Corporate Investments Private Limited**

12-10-167, Bharat Nagar, Hyderabad- 500018.

Ph: 040-23818475/ 23818476/ 23868023, Fax: 040-2386802

**LISTED AT** : Bombay Stock Exchange Limited &  
Ahmedabad Stock Exchange Limited

**DEMAT ISIN NUMBER IN NSDL & CDSL** : INE019D01016

### **25<sup>TH</sup> ANNUAL GENERAL MEETING**

**Date:** Friday, 30<sup>th</sup> September, 2016

**Time:** 11.00 am

**Venue:** 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands,  
Ameerpet, Hyderabad-500016, Telangana.

## NOTICE

**Notice** is hereby given that the **25<sup>th</sup> Annual General Meeting** of the Shareholders of **M/s. Mahaveer Infoway Limited** will be held on **Friday, the 30<sup>th</sup> day of September, 2016 at 11.00 A.M.** at Registered Office of the Company situated at 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad Telangana-500016 India to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors ('the Board') and Auditors thereon.
2. To Appoint a Director in place of **Mr. Dixit Prasanna Ramesh (DIN: 02894687)** who retires by rotation and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors:**

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 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, **M/s. KALYANA & CO., Chartered Accountants, (Firm Registration Number 007095S) Hyderabad**, be and are hereby appointed/ re-appointed as Statutory Auditors of the Company, from the conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017 to examine and audit the Accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors".

By Order of the Board of Directors of  
Mahaveer Infoway Limited

Sd/-

Neha Kalpande  
Company Secretary

Place: Hyderabad  
Date: 10.08.2016

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2016 to 30.09.2016 (Both days inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited.)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Venture Capital and Corporate Investments Private Limited**, Share Transfer Agents of the Company for their doing the needful.

11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission/transposition, Demat/ Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-2016 is being sent in the permitted mode.
15. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website **www.minfy.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [cs@minfy.com](mailto:cs@minfy.com).
16. **Voting through electronic means (Includes remote e-voting):**

As per the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23<sup>rd</sup> September, 2016, are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 27<sup>th</sup> September, 2016 and will end at 5.00 p.m. on 29<sup>th</sup> September, 2016. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

**The instructions for e-voting are as under:**

**A. In case of members receiving e-mail:**

The voting period begins on 27.09.2016 at 9.00 A.M. and ends on 29.09.2016 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (23.09.2016) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. E-voting procedure is mentioned below: -

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now, select the "**COMPANY NAME**" from the drop down menu and click on "SUBMIT"



- iv. Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

|                        | For Members holding shares in Demat Form and Physical Form   |
|------------------------|--|
| PAN*                   | <p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (Available on the Address label pasted in the cover and/or in the e-mail sent to the members) in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB#                   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>" Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>   |

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES

implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiii. Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
  - xiv. After selecting the resolution, you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
  - xv. Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
  - xvi. You can also take out print of the voting done by you by clicking on **“Click here to print”** option on the Voting page.
  - xvii. If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
  - xviii. Shareholders can also cast their vote using CDSL’s mobile app M-voting available for android based mobiles. The M-voting app can be downloaded from google play store. Please follow the instructions as promptly by the mobile app while voting on your mobile.
    - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
    - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- B.** In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:
- i. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
  - ii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
  - iii. The voting period begins on 27.09.2016 at 9.00 A.M. and ends on 29.09.2016 at 5.00.P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the 23.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - iv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- v. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23.09.2016 for e-voting purpose.
- C. The members who have not casted their votes either electronically, can exercise their voting rights at the AGM through Poll paper.
- D. Mr. Sarveswar Reddy, Practicing Company Secretary, C.P. No. 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.
- E. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- F. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.minfy.com](http://www.minfy.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- G. Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- H. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and/ or bank mandate to their Depository Participants immediately.
- I. Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. Venture Capital and Corporate Investments Private Limited / Investor Service Department of the Company immediately.
- J. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital and Corporate Investments Private Limited / Investor Service Department of the Company.
- K. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

By Order of the Board of Directors of  
Mahaveer Infoway Limited  
Sd/-

Neha Kalpande  
Company Secretary & Compliance Officer

Place: Hyderabad  
Date: 10.08.2016

## DIRECTOR'S REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting before you the **25<sup>th</sup> (Twenty Fifth) Annual Report** of the Company together with the Audited Statements of Accounts for the **year ended 31<sup>st</sup> March, 2016**.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31<sup>st</sup> March, 2016 has been as under:

(In Rupees)

| PARTICULAR                              | 2015-2016         |                   | 2014-2015         |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Consolidated      | Standalone        | Consolidated      | Standalone        |
| Total Income                            | 356,981,580       | 304,745,595       | 848,204,693       | 622,661,113       |
| Total Expenditure                       | 354,109,593       | 304,202,251       | 844,194,044       | 619,865,745       |
| Profit Before Tax                       | 2,871,987         | 543,344           | 4,010,649         | 2,795,368         |
| Provision for Tax                       | 998,241           | -85,927           | 1,503,041         | 1,113,839         |
| Profit after Tax                        | 2,208,597         | 629,271           | 2,507,608         | 1,681,530         |
| Profit Brought from Previous Year       | 16,239,038        | 14,110,311        | 13,545,542        | 12,428,781        |
| Profit available for appropriation      | 18,447,635        | 14,739,582.       | 16,239,038        | 14,110,311        |
| Provision for Proposed Dividend         | ----              | ----              | ----              | ----              |
| Provision for Corporate Tax             | ----              | ----              | ----              | ----              |
| <b>Balance Carried to Balance Sheet</b> | <b>18,229,781</b> | <b>15,219,330</b> | <b>15,945,903</b> | <b>14,590,059</b> |

During the year under review, the Gross Revenue of the Company decreased to **Rs. 304,745,595.00/-** - compared to **Rs. 622,661,113.00/-** in the previous year. The Profit after tax for the year decreased to **Rs. 629,271.00/-** compared to **Rs. 1,681,530.00/-** in the previous year.

### 2. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013: CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business. There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

### 3. DISCLOSURES UNDER SECTION 134(3)(k) OF THE COMPANIES ACT, 2013: DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### 4. DISCLOSURES UNDER SECTION 134(3)(j) OF THE COMPANIES ACT, 2013: TRANSFER TO RESERVES:

Directors have decided not to transfer any amount to reserves for the year.

**5. REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review.

**6. DISCLOSURES UNDER SECTION 134(3)(h) OF THE COMPANIES ACT, 2013: PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in detail in the report (if applicable) and forms part of this Report.

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.minfy.com](http://www.minfy.com).

Your Directors draw attention of the members to Notes given to the financial statement which sets out related party disclosures.

**7. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013: SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**8. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013: ISSUE OF SWEAT EQUITY SHARES:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

**9. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013: ISSUE OF EQUITY SHARES UNDER EMPLOYEES STOCK OPTION SCHEME:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**10. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**11. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS, IMPACTING THE GOING CONCERN BASIS OF THE COMPANY:**

There were no significant material orders passed by regulators, courts, tribunals, impacting the going concern basis of the Company.

## 12. CORPORATE GOVERNANCE:

Corporate Governance is not applicable to the company since the paid up equity share capital and net worth of the company does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily provides a separate section in the Annual Report titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management discussion and analysis report for the year under review as stipulated under Regulation 4(3) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is presented in a separate section forming part of the annual report.

## 14. BOARD MEETINGS:

The Board of Directors duly met **4 (Four) times** on 29/05/2015, 14/08/2015, 09/11/2015 and 12/02/2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

## 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per law, two-thirds of non-executive and non-independent Directors should retire by rotation. One third of these Directors are required to retire every year and if eligible, offer them for reappointment. **Mr. Dixit Prasanna Ramesh** (Executive Director) (**DIN: 02894687**) would retire in upcoming AGM and being eligible, has offered himself for re-appointment.

A brief profile of **Mr. Dixit Prasanna Ramesh** is as follows

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting  
(in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

|                                       |  |
|---------------------------------------|--|
| Name of the Director                  | Mr. Ramesh Prasanna Dixit  |
| Date of Birth                         | 10/04/1975   |
| Nationality                           | INDIAN   |
| Date of appointment on the Board      | 30/10/2004   |
| Qualifications                        | Master of Technologies   |
| Expertise in specific functional area | Mr. Prasanna Ramesh Dixit Leads the Business Development and Operations of the Organization. He has completed his education from renowned University and 'Nettur Technical Training Foundation'. He is currently heads the distribution process for IT and Telecom solutions with lot of flair and dynamism to create successful opportunities in various industries. He has experience of More Than 01 (Decade) in the above mentioned segment and he is appointed as Director of Mahaveer Infoway Limited in 2004.He was a Product Design Engineer |

|   |  |
|---|--|
|   | in Welmade Locking System Private Limited for the period of August 1998 – August 1999 and also worked as a Production Engineer in Datar Switchgear Limited for the period of 1996 – 1997 (1 year). His expertise are in Translating New Ideas into entrepreneurial opportunities, Innovating New Business Models, Overseeing operations and implementation, networking with people. He has executed projects in Distance Learning, Product development, sales operations, selling software services and products. He also started and managed mobile phones distribution setup at Hubli Branch, Karnataka. He is awarded with the Best Distributor in India by 'Samsung', Best Partner by 'Gionee Mobiles' and he is also honored and awarded for recognition of Successful Entrepreneurship by the State Government of Karnataka in 2002. |
| Number of shares held in the company  | NIL  |
| List of the directorship held in other companies                                    | i. Mahaveer telecom Private limited<br>ii. Kuse technologies Private limited   |
| Chairman/Member in the Committee of the Boards of Companies in which he is Director | NIL  |

#### 16. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** as a part of this Annual Report in **Annexure I**.

#### 17. AUTHORISED AND PAID UP CAPITAL OF THE COMPANY:

The authorized capital of the company stands at 6,00,00,000 /- divided into 60,00,000 equity shares of Rs.10/- each and The company's paid up capital at 5,50,90,000/- divided into 55,09,000 equity shares of Rs. 10/- each.

#### 18. DIRECTOR'S RESPONSIBILITY STATEMENT: -

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments 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 and of the **profit** of the company for that period;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**19. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received a declaration from Mr. Budhi Prakash Toshniwal, Ms. A. Neelima Reddy, Mr. Vinit Maharia and Mr. Harinarayan Vyas, Independent Directors of the Company to the effect that they are meeting the criteria of Independence as provided in Sub-section (7) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such Declarations is attached in **Annexure II** of this Report.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Section 134 (3) (m) of the Companies Act, 2013, is provided hereunder:

**A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:**

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

**C. Foreign Exchange Earnings and Out Go: (In Lakhs)**

|                              |   |       |
|------------------------------|---|-------|
| 1. Foreign Exchange Earnings | : | 11.02 |
| 2. Foreign Exchange Outgo    | : | NIL   |

**21. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

The Company has Two Subsidiary Companies in the name and style M/s. Minfy Technologies Private Limited (Formerly known as 'Mahaveer Projects Private Limited') and M/s. Mahaveer Telecom Private Limited. Other Details of Subsidiary Companies are as follows: -



| Particulars                      | Minfy Technologies Private Limited | Mahaveer Telecom Private Limited |
|----------------------------------|------------------------------------|----------------------------------|
| Date of Incorporation            | 29/11/2010                         | 24/12/2010                       |
| Brief Main Object                | Staffing and Recruitment           | Mobile Trading                   |
| Authorised Share Capital         | Rs. 1,00,000/-                     | Rs. 5,00,000/-                   |
| Paid up Share Capital            | Rs. 1,00,000/-                     | Rs. 5,00,000/-                   |
| Total Income for FY 2015-16      | Rs. 39,456,797/-                   | Rs. 12,779,188/-                 |
| Total Expenditure for FY 2015-16 | Rs. 37,186,496/-                   | Rs. 12,720,848/-                 |
| Profit Before Tax for FY 2015-16 | Rs. 2,270,302/-                    | Rs. 58,340/-                     |
| Provision for Tax for FY 2015-16 | Rs. 731,658/-                      | Rs. 17,659/-                     |
| Profit after Tax for FY 2015-16  | Rs. 1,538,644/-                    | Rs. 40,681/-                     |

## 22. AUDITORS AND AUDITORS REPORTS:

### A. STATUTORY AUDITORS:

M/s. Kalyana & Co., Hyderabad, Statutory Auditors of the Company retire at the ensuing annual general meeting and are eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Kalyana & Co., Hyderabad as the Statutory Auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

### B. STATUTORY AUDITORS' REPORT:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

### C. SECRETARIAL AUDITORS:

The Board had appointed M/s. S. S. Reddy & Associates, Practicing Company Secretaries, Hyderabad, having CP No. 7478 to conduct Secretarial Audit for the financial year 2015-16, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, The Secretarial Audit Report in Form MR – 3 for the financial year 2015- 16 is enclosed herewith as **Annexure III** to this Report.

### D. SECRETARIAL AUDIT REPORT:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act, 2013 and the Company has not appointed internal auditor for the financial year 2015-16 but the company is taking necessary measures to appoint the same at the earliest.

**23. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

Your Company has not accepted any deposits falling within the meaning of Sec. 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8 (v) of Companies (Accounts) Rules 2014, during the financial year under review.

**24. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

The Company has in place adequate internal control systems, which commensurate with its size, nature of business and complexity of its operations and are designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguard for assets, internal control over financial reporting, and compliance with applicable laws and regulations. Internal audit function evaluates the adequacy of and compliance with policies, plans, regulatory and statutory requirements.

The Internal Auditors directly report to the Board's Audit Committee, thus ensuring the independence of the process. It also evaluates and suggests improvement in effectiveness of risk management, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

**25. INSURANCE:**

The properties and assets of your Company are adequately insured.

**26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Loans: -

During the Year, The Company has given Short Term Loan to Its Subsidiary Mahaveer Telecom Private Limited of **Rs. 22,62,949.00/-** and Intercompany Loans of **Rs. 36,52,726/-** to Techminfy Info Solutions LLP and Lacis Techminfy Info Solutions LLP.

Investment: -

During the Year, Your Company has invested in the Contribution of Lacis Techminfy Info Solutions LLP of **Rs. 50,000.00/-**.

Credit & Guarantee Facilities:

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company, from Axis Bank Ltd. Personal Guarantees were given by:

- |    |                              |                     |
|----|------------------------------|---------------------|
| 1. | Mr. Ashok Kumar Jain         | – Managing Director |
| 2. | Mr. Vijay Jain               | – Director          |
| 3. | Mr. Rajender Kumar Jain      | – Director          |
| 4. | Mr. Jeetendra Kumar Bhansali | – Director          |
| 5. | Mr. Ramesh Prasanna Dixit    | – Director          |

Executive Director without any consideration for obtaining Bank Guarantees.

**27. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company does not has the net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or a net profit of Rs. 5 crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

**28. LISTING AND DELISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to Ahmedabad Stock Exchange and Bombay Stock Exchange and the Company also applied for Voluntary delisting of its Equity Shares from the Ahmedabad Stock Exchange due to negligible volume of trading and as a part of cost reduction measures.

**29. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**30. SECRETARIAL STANDARDS:**

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**31. EMPLOYEE RELATIONS:**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs. 1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013

**32. APPRECIATION & ACKNOWLEDGEMENT:**

Your company satisfactorily outperformed the industry in this challenging year and continues to maintain its leadership position. It has been surpassing all the international quality and cost benchmarks and continues to build shareholder value. Your Director looks to the future with confidence.

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

For and on behalf of the Board of

**Mahaveer Infoway Limited**

S/d-

**Ashok Kumar Jain**  
Managing Director

S/d-

**Rajender Kumar Jain**  
Director

Place: Hyderabad  
Date: 10.08.2016

## ANNEXURE-I

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

|  |   |
|--|---|
| i. CIN   | <b>L65910TG1991PLC012704</b>  |
| ii. Registration Date  | <b>13/05/1991</b>   |
| iii. Name of the Company   | <b>MAHAVEER INFOWAY LIMITED</b>   |
| iv. Category/ Sub-Category of the Company                                      | <b>Company limited by shares/<br/>Indian Non-Government Company</b>   |
| v. Address of the Registered office and contact details                        | <b>7-1-24/2/C, 301/A,<br/>Dhansi Surabhi Complex, Greenlands,<br/>Ameerpet, Hyderabad,<br/>Telangana-500016 India</b>   |
| vi. Whether listed company   | <b>Yes</b>  |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | <b>M/s. Venture Capital and<br/>Corporate Investments Private Limited<br/>12-10-167, Bharat Nagar,<br/>Hyderabad- 500018.<br/>Ph: 040-23818475/ 23818476/ 23868023<br/>Fax: 040-2386802</b> |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Mobile   | 998413                           | 64.85                              |
| 2       | Unallocated / Petroleum                          | 996119                           | 34.79                              |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address of The Company    | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1.      | Minfy Technologies Private Limited | U72200TG2010PTC071443 | SUBSIDIARY                     | <b>98%</b>       | <b>2 (87)</b>      |
| 2.      | Mahaveer Telecom                   | U64100TG2010PTC071861 | SUBSIDIARY                     | <b>60%</b>       | <b>2 (87)</b>      |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

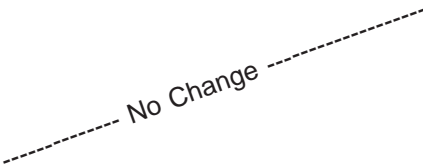
| Category of Shareholders         | No. of Shares held at the beginning of the year(As on 31-March-2015) |          |                |                   | No. of Shares held at the end of the year(As on 31-March-2016) |          |                |                   | % change during the year |
|----------------------------------|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
|                                  | Demat  | Physical | Total          | % of Total Shares | Demat  | Physical | Total          | % of Total Shares |                          |
| <b>A. Promoter</b>               |  |          |                |                   |  |          |                |                   |                          |
| <b>1) Indian</b>                 |  |          |                |                   |  |          |                |                   |                          |
| a) Individual/ HUF               | 2354328  | -        | 2354328        | 42.74             | 2354328  | -        | 2354328        | 42.74             | -                        |
| b) Central Govt.                 | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| c) State Govt. (s)               | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| d) Bodies Corp                   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| e) Banks / FI                    | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| f) Any Other                     | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| <b>Subtotal(A)(1):</b>           | <b>2354328</b>   | <b>-</b> | <b>2354328</b> | <b>42.74</b>      | <b>2354328</b>   | <b>-</b> | <b>2354328</b> | <b>42.74</b>      | <b>-</b>                 |
| 1) Foreign                       |  |          |                |                   |  |          |                |                   |                          |
| g) NRIs-Individuals              | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| h) Other-Individuals             | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| i) Bodies Corp.                  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| j) Banks / FI                    | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| k) Any Other....                 | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| <b>Subtotal(A)(2):</b>           | <b>-</b>   | <b>-</b> | <b>-</b>       | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>       | <b>-</b>          | <b>-</b>                 |
| <b>B. Public Shareholding</b>    |  |          |                |                   |  |          |                |                   |                          |
| <b>1. Institutions</b>           |  |          |                |                   |  |          |                |                   |                          |
| a) Mutual Funds                  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| b) Banks / FI                    | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| c) Central Govt                  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| d) State Govt(s)                 | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| e) Venture Capital Funds         | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| f) Insurance Companies           | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| g) FIs                           | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| h) Foreign Venture Capital Funds | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| i) Others (specify)              | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| <b>Sub-total (B)(1)</b>          | <b>-</b>   | <b>-</b> | <b>-</b>       | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>       | <b>-</b>          | <b>-</b>                 |

|  |                |               |                |              |                |               |                |              |             |
|--|----------------|---------------|----------------|--------------|----------------|---------------|----------------|--------------|-------------|
| <b>2. Non Institutions</b>   |                |               |                |              |                |               |                |              |             |
| <b>a) Bodies Corp.</b>   |                |               |                |              |                |               |                |              |             |
| (i) Indian   | 84647          | 0             | 84647          | 1.54         | 98114          | 0             | 98114          | 1.78         | 0.24        |
| (ii) Overseas  |                |               |                |              |                |               |                |              |             |
| <b>b) Individuals</b>  |                |               |                |              |                |               |                |              |             |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 660199         | 174501        | 834700         | 15.15        | 942551         | 244601        | 1187152        | 2155         | 6.40        |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 2049296        | 94100         | 2143396        | 38.91        | 1776636        | 23800         | 1800436        | 32.68        | -6.23       |
| <b>c) Others(Specify)</b>  | 91929          | 0             | 91929          | 1.67         | 68970          | 0             | 68970          | 1.25         | -0.42       |
| <b>Subtotal(B)(2)</b>  | <b>2886071</b> | <b>268601</b> | <b>3154672</b> | <b>57.27</b> | <b>2886271</b> | <b>268401</b> | <b>3154672</b> | <b>57.27</b> | <b>0.00</b> |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                       | 2885071        | 269601        | 3154672        | 57.27        | 2886271        | 268401        | 3154672        | 57.27        | 0.00        |
| C. Shares held by Custodian for GDRs & ADRs  | 0              | 0             | 0              | 0            | 0              | 0             | 0              | 0            |             |
| <b>Grand Total(A+B+C)</b>  | <b>5240399</b> | <b>268601</b> | <b>5509000</b> | <b>100</b>   | <b>5240599</b> | <b>268401</b> | <b>5509000</b> | <b>100</b>   | <b>0.00</b> |

## ii. SHARE HOLDING OF PROMOTERS

| SI No. | Shareholders Name   | Shareholding at the beginning of the year |                              |  | Shareholding at the end of the year |                              |  | % change in share holding during the year |
|--------|---------------------|---|------------------------------|--|-------------------------------------|------------------------------|--|---|
|        |                     | No. of shares                             | % of total shares of the Co. | % of shares pledged encumbered to total shares | No. of shares                       | % of total shares of the Co. | % of shares pledged encumbered to total shares |   |
| 1.     | Ashok Kumar Jain    | 502718                                    | 9.13                         | 3.34   | 502718                              | 9.13                         | 3.34   | 0%  |
| 2.     | Rajender Kumar Jain | 296000                                    | 5.37                         | 0.83   | 296000                              | 5.37                         | 0.83   | 0%  |
| 3.     | Vijay Kumar Kothari | 428500                                    | 7.78                         | 0.41   | 428500                              | 7.78                         | 0.41   | 0%  |
| 4.     | Mahaveer Chand Jain | 184700                                    | 3.35                         | 0  | 184700                              | 3.35                         | 0  | 0%  |
| 5.     | Basanta Bai Jain    | 10000                                     | 0.18                         | 0  | 10000                               | 0.18                         | 0  | 0%  |
| 6.     | Nirmal Kothari      | 165010                                    | 3.00                         | 1.82   | 165010                              | 3.00                         | 1.82   | 0%  |
| 7.     | Kamal Kumar Kothari | 191000                                    | 3.47                         | 1.91   | 191000                              | 3.47                         | 1.91   | 0%  |
| 8.     | Sushila Bai Kothari | 10100                                     | 0.18                         | 0  | 10100                               | 0.18                         | 0  | 0%  |
| 9.     | Vishal Jain         | 107600                                    | 1.95                         | 0  | 107600                              | 1.95                         | 0  | 0%  |
| 10.    | Badam Bai Kothari   | 231700                                    | 4.21                         | 0  | 231700                              | 4.21                         | 0  | 0%  |
| 11.    | Vivek Jain          | 110700                                    | 2.01                         | 0  | 110700                              | 2.01                         | 0  | 0%  |
| 12.    | Anitha Kothari      | 40000                                     | 0.73                         | 0  | 40000                               | 0.73                         | 0  | 0%  |
| 13.    | Leela Devi Kothari  | 35100                                     | 0.64                         | 0  | 35100                               | 0.64                         | 0  | 0%  |
| 14.    | Manju Devi Kothari  | 41200                                     | 0.75                         | 0  | 41200                               | 0.75                         | 0  | 0%  |
|        | <b>Total</b>        | <b>2354328</b>                            | <b>42.74</b>                 | <b>8.31</b>                                    | <b>2354328</b>                      | <b>42.74</b>                 | <b>8.31</b>                                    | <b>0%</b>                                 |

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

| Sr. no | Particulars  | Shareholding at the beginning of the year  |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|--|----------------------------------|---|----------------------------------|
|        |  | No. of shares  | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1      | At the beginning of the year   |  |                                  |   |                                  |
| 2      | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |  |                                  |   |                                  |
| 3      | At the End of the year   |  |                                  |   |                                  |

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sr. no  | Particulars                           | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|---|---------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
|   |                                       | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |
| 1   | Niruben Jitubhai Shah                 | 244980                                    | 4.45                             | 244980                              | 4.45                             |
| 2   | Rajendra Rajaram Dhole                | 125000                                    | 2.27                             | 125000                              | 2.27                             |
| 3   | Sulochana Mandhana                    | 100700                                    | 1.83                             | 100700                              | 1.83                             |
| 4   | Vijaya Ramesh Dixit                   | 100000                                    | 1.82                             | 100000                              | 1.82                             |
| 5   | Bhansali Sweety Jeetendrakumar        | 100000                                    | 1.82                             | 100000                              | 1.82                             |
| 6   | Champadevi Madanlal Bhansali          | 100000                                    | 1.82                             | 100000                              | 1.82                             |
| 7   | Pinky Jain                            | 96313                                     | 1.75                             | 96313                               | 1.75                             |
| 8   | Pankaj Sitaram Goyal                  | 0   | 0                                | 52600                               | 0.95                             |
| 8   | Rajkumar r. Shivhare                  | 48500                                     | 0.88                             | 48500                               | 0.88                             |
| 9   | Sanivarapu Sarveswar Reddy            | 39500                                     | 0.72                             | 39500                               | 0.72                             |
| 10  | Niruben Jitubhai Shah                 | 0   | 0                                | 244980                              | 4.45                             |
| 11  | Mansukh Stock Brokers Lt.             | 40300                                     | 0.73                             | 0                                   | 0                                |
| 12  | Trimurthi Advisory Services Pvt. Ltd. | 39000                                     | 0.71                             | 0                                   | 0                                |
| Date wise Increase /Decrease in top ten shareholders Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc.): NIL |                                       |   |                                  |                                     |                                  |
| At the End of the year  |                                       | --  | --                               | --                                  | ---                              |

**v. Shareholding of Directors and Key Managerial Personnel:**

| Sr. no   | Particulars         | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--|---------------------|---|----------------------------------|---|----------------------------------|
|  |                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.   | Ashok Kumar Jain    | 502718                                    | 9.13                             | 502718                                  | 9.13                             |
| 2.   | Rajender Kumar Jain | 296000                                    | 5.37                             | 296000                                  | 5.37                             |
| 3.   | Vijay Kumar Kothari | 428500                                    | 7.78                             | 428500                                  | 7.78                             |
| 4.   | Harinarayan Vyas    | 2700                                      | 0.05                             | 2700                                    | 0.05                             |
| 5.   | Ravi Kumar Joshi    | 4000                                      | 0.07                             | 4000                                    | 0.07                             |
| 6.   | Neha Kalpande       | -   | -                                | -                                       | -                                |
| Date wise Increase /Decrease in Directors and key managerial personnel Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): |                     |   |                                  |   |                                  |
| At the End of the year   |                     |   |                                  | --                                      | --                               |

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Particulars  | Secured Loans excluding deposits |                   | Unsecured Loans  | Deposits | Total Indebtedness |
|--|----------------------------------|-------------------|------------------|----------|--------------------|
|  | Term Loan                        | Cash Credit       |                  |          |                    |
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                   |                  |          |                    |
| i) Principal Amount  | 20,87,479                        | 524,56,077        | 34,65,184        |          | 580,08,740         |
| ii) Interest due but not paid                              | 0.000                            | 0.000             | 0.000            |          | 0.000              |
| iii) Interest accrued but not                              | 0.000                            | 0.000             | 0.000            |          | 0.000              |
| <b>Total (i+ii+iii)</b>                                    | <b>20,87,479</b>                 | <b>524,56,077</b> | <b>34,65,184</b> |          | <b>580,08,740</b>  |
| Change in Indebtedness during the financial year           |                                  |                   |                  |          |                    |
| - Addition   | 0                                | 0                 | 21,01,533        |          | 21,01,533          |
| - Reduction  | 12,12,808                        | 2,54,429          | 0                |          | 14,67,237          |
| <b>Net Change</b>  | <b>12,12,808</b>                 | <b>2,54,429</b>   | <b>21,01,533</b> |          | <b>6,34,296</b>    |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                   |                  |          |                    |
| i) Principal Amount  | 8,74,671                         | 522,01,648        | 55,66,717        |          | 586,43,036         |
| ii) Interest due but not paid                              | 0                                | 0                 | 0                |          | 0                  |
| iii) Interest accrued but not due                          | 0                                | 0                 | 0                |          | 0                  |
| <b>Total (i+ii+iii)</b>                                    | <b>8,74,671</b>                  | <b>522,01,648</b> | <b>55,66,717</b> |          | <b>586,43,036</b>  |



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No.                | Particulars of Remuneration  | Name of MD/WTD/ Manager        | Total Amount     |
|------------------------|--|--------------------------------|------------------|
| 1.                     | Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961<br>(b) Value of perquisites u/s17(2) Income-tax Act,1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Ashok Kumar Jain<br>3,00,000/- | 3,00,000/-       |
| 2.                     | Stock Option   | NIL                            |                  |
| 3.                     | Sweat Equity   | NIL                            |                  |
| 4.                     | Commission- as % of profit- others, specify...   |                                |                  |
| 5.                     | Others, please specify   | NIL                            | NIL              |
| 6.                     | <b>Total (A)</b>   | <b>300,000/-</b>               | <b>300,000/-</b> |
| Ceiling as per the Act |  |                                |                  |

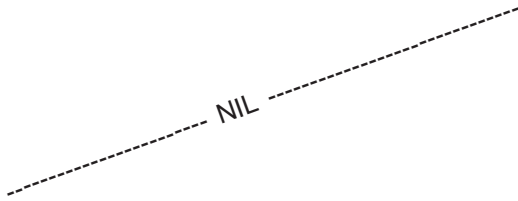
### B. Remuneration to other directors: NIL

| Particulars of Remuneration                  | Name of MD/WTD/ Manager | TotalAmount |
|--|-------------------------|-------------|
| <b>Independent Directors</b>                 |                         |             |
| • Fee for attending board committee meetings | —                       | —           |
| • Commission                                 | —                       | —           |
| • Others, please specify                     | —                       | —           |
| <b>Total (1)</b>                             | —                       | —           |
| <b>Other Non-Executive Directors</b>         |                         |             |
| • Fee for attending board committee meetings | —                       | —           |
| • Commission                                 | —                       | —           |
| • Others, please specify                     | —                       | —           |
| Total (2)                                    | —                       | —           |
| Total (B)=(1+2)                              | —                       | —           |
| Total Managerial Remuneration                | —                       | —           |
| Overall Ceiling as per the Act               | —                       | —           |

### C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                   |                   |                   |
|---------|---|--------------------------|-------------------|-------------------|-------------------|
|         |   | CEO                      | Company Secretary | CFO               | Total             |
| 1.      | <b>Gross salary</b><br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NA                       | 3,44,000/-        | 4,50,000/-        | 7,94,000/-        |
| 2.      | Stock Option  | NA                       | NIL               | NIL               | NIL               |
| 3.      | Sweat Equity  | NA                       | NIL               | NIL               | NIL               |
| 4.      | Commission- as % of profit- others, specify...  | NA                       | NIL               | NIL               | NIL               |
| 5.      | Others, please specify  | NA                       | NIL               | NIL               | NIL               |
|         | <b>Total</b>  | <b>NA</b>                | <b>3,44,000/-</b> | <b>4,50,000/-</b> | <b>7,94,000/-</b> |

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| Type  | Section of Act the companies   | Brief of description | Details Penalty /Punishment/ Compounding fees imposed | Authority [RD/NCLT/ Court] | Appeal made. If any(give details) |
|---|--|----------------------|---|----------------------------|-----------------------------------|
| <b>A. Company</b><br>Penalty<br>Punishment<br>Compounding                   |  |                      |   |                            |                                   |
| <b>B. Directors</b><br>Penalty<br>Punishment<br>Compounding                 |  |                      |   |                            |                                   |
| <b>C. Other Officers In Default</b><br>Penalty<br>Punishment<br>Compounding |  |                      |   |                            |                                   |

## **ANNEXURE - II**

### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Mahaveer Infoway Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) The statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

Vinit Maharia

(Independent Director)

Date: 30.05.2016

Place: Hyderabad

## **ANNEXURE - II**

### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Mahaveer Infoway Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) The statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

Date: 30.05.2016

Place: Hyderabad

Budhi Prakash Toshniwal  
(Independent Director)

## **ANNEXURE - II**

### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Mahaveer Infoway Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You

Yours Faithfully,

Sd/-

Harinarayan Vyas

(Independent Director)

Date: 30.05.2016

Place: Hyderabad

## **ANNEXURE - II**

### **SPECIMEN DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Mahaveer Infoway Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) The statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You

Yours Faithfully,

Sd/-

A Neelima Reddy

(Independent Director)

Date: 30.05.2016

Place: Hyderabad

## FORM MR-3

## SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

To  
The Members of  
M/s. Mahaveer Infoway Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Mahaveer Infoway Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2015 and ended 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Mahaveer Infoway Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2016, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12<sup>th</sup> September, 2013 and sections and Rules notified and came in to effect from 1<sup>st</sup> April, 2014;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2015-16
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable. Except yearly and event based disclosures.**
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable.**

- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable.**
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable.**
- v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable.**
- vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: **Not Applicable.**
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; The Company has framed code of conduct for regulating & reporting trading by Insiders and for fair disclosure, 2015 and displayed the same on company's Website i.e. [www.minfy.com](http://www.minfy.com) and all required disclosures from time to time as and when applicable are complied with.
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
  - The Company has signed uniform listing agreement with BSE Limited:
  - The Company has framed the policies as mentioned below and displayed the same on the Company's website i.e. [www.minfy.com](http://www.minfy.com).
    - Board Diversity Policy
    - Policy on preservation of Documents
    - Risk Management Policy
3. During the year the company has conducted 4 Board meetings, 4 Audit committee meetings, 3 shareholders relationship committee meetings and 1 Independent Directors Committee meeting. We have also examined compliance with the applicable clauses of the following:
  - a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
  - b. Listing Agreements (till November 30, 2015) entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (From December 01, 2015 to March 31, 2016)
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;



## **OBSERVATIONS:**

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- i. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - ii. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
- (b) We further report that:-
- i. The company has a company secretary namely Ms. Naha Kalpande and CFO Namely Mr. Ravi Joshi
  - ii. The Company has not appointed internal auditors during the financial year 2015-16
5. I have relied on the Management Representation made by the Managing Director for systems and mechanism formed by the Company to ensure the compliances under other applicable Acts, Laws and Regulations which are listed below:
- a. Information Technologies Act 2000
  - b. Software Technology Park of India Rules and Regulations
  - c. Labour laws and Incidental laws related to Labour and Employees appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.,
  - d. Clearance from Various Local Authorities.
  - e. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

### **We further report that: -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the review of the compliance/ certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For S.S. Reddy & Associates**

S/d-

**S. Sarveswar Reddy**

Practicing Company Secretaries

C. P. No.: 7478

Place: Hyderabad

Date: 10.08.2016

To  
The Members of  
M/s. Mahaveer Infoway Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S.S. Reddy & Associates**

S/d-

**S. Sarveswar Reddy**

Practicing Company Secretaries

C. P. No.: 7478

Place: Hyderabad

Date: 10.08.2016

## **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY:**

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015 all Board Members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2016.

For and on behalf of the Board of  
**Mahaveer Infoway Limited**

S/d-

Ashok Kumar Jain  
Managing Director

Place: Hyderabad  
Date: 10.08.2016

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Mahaveer Infoway Limited (MIL) has its business operations in the field of Software Development, IT Consulting, Networking Solutions, Software Testing, Training, Distribution of IT & Telecom Products, Offshore Staffing, Real estate Development and Petroleum. Mahaveer Infoway Limited. (MIL) is a provider of Technology oriented solutions. 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.

The Company also offers consulting and information technology (IT) services. It provides a range of services, including software development, Product and Application testing, packaged software integration, system maintenance, and engineering design services which creates the many opportunities in the Local and Global Market.

To grab the more opportunities and to extend the scope of the Business the company started entering in the petroleum Trading and doing good in the same field.

Management and our Professional teams are taking efforts to learn and apply new skills in the market for more development in the Businesses of the Company.

### **COMPANY STRENGTHS: -**

#### **Telecom**

- 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.

#### **IT Services**

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

### **PETROLEUM PRODUCTION**

- Experience Management team.
- Well establish Market Player.

### **COMPANY OPPORTUNITIES AND THREATS: -**

#### **Telecom**

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.

#### **IT Services**

##### **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.

#### **PETROLEUM PRODUCTION**

##### **Opportunities:-**

- Products available for meeting growing demand in the Market.

##### **Threats:-**

- Class 'A' players.
- Strict Government policies for Importing.

#### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE: -**

During the year under review, The Company has Two Major Segments that is Mobiles and Petroleum Products which generates the revenue of Rupees 1976.00 lacs and 1060.00 lacs respectively and from Information Technology Segment we generate revenue of Rupees 11.00 lacs and from Education we didn't generate any revenue. Net profit from Mobiles and Petroleum Products Were Rupees 50.02 lacs and 12.06 lacs respectively and from Information Technology Segment Rupees 2.71 lacs.

As per Accounting Standard 17 the Company is disclosing the segment wise reporting for all quarters and year ended.

#### **OUTLOOK: -**

The Company includes the following services for the growth and the development of the Company

- 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.

For the Growth of Petroleum Business, the Company started Importing the Bitumen Products from the outside Countries and make availability for local Market, to help the end consumer with best quality at low price.

The Company Target Indian as well as International Markets to expand the Business and achieve the Milestone in the particular Industry.

#### **RISK AND CONCERNS: -**

##### **Telecom:**

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

##### **IT Services:**

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

##### **Petroleum Production:**

- Attrition in Human resources in middle and lower management.
- Currency Fluctuations.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY: -**

The internal control system of our Company is effective and adequate. The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures are reviewed frequently. Internal Control Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Chief Financial Officer and Senior Management are taking action to strengthen controls where necessary

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

##### **Operational Review:**

In Financial Year 2015-16 things started slowing down. We expanded our distribution network of petroleum product and also increase the

##### **Financial Review:**

During the financial year 2015-16, company registered a turnover of Rs. **304,745,595.00/-** against Rs. **622,661,113.00/-** in financial year 2014-15. The sales of the company decreased in this year. Net Profit of the company declined from Rs. **1,681,530.00/-** last year to Rs. **629,271.00/-** in this year.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED: -**

Your Company recognizes the value addition of its employees and their contribution to the growth and development of the Company. In turn, the Company is committed to train and develop its people and motivate them. Industrial relations have been cordial and mutually beneficial. We have an effective strategy to nurture and grow our people so much so that employee turnaround has been much lower.

**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 laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



## **CORPORATE GOVERNANCE REPORT**

Corporate Governance is not applicable to the company as its paid up-equity capital and net worth does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily complies with Corporate Governance as a good governance measure to keep the stakeholders informed about the company.

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Mahaveer Infoway Limited as follows:

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### **2. BOARD DIVERSITY:**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.minfy.com](http://www.minfy.com).

### **3. BOARD EVALUATION:**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the *Corporate governance report*. The Board approved the evaluation results as collated by the nomination and remuneration committee.

#### **4. MAHAVEER's CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.minfy.com](http://www.minfy.com).

#### **5. BOARD OF DIRECTORS:**

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of the company.

As trustees, the Board has a fiduciary responsibility towards all the shareholders and ensures that the company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, also periodically reviews its role.

##### **a) COMPOSITION OF THE BOARD:**

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2016, the Company's Board comprised of five Directors, which includes two promoter Directors. In addition, there are Four Independent Directors on the Board Including one-woman Director. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

##### **b) NUMBER OF BOARD MEETINGS:**

The Board of Directors met **Four (4)** times during the financial year on 29/05/2015, 14/08/2015, 09/11/2015 and 12/02/2016. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

##### **c) ATTENDANCE AND DIRECTORSHIPS HELD:**

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in **Table 1**.

**Table-1**

| Name of Director             | Relationship with other Directors | Category | No. of Meetings Held | No. of Meetings Attended | Whether Attended Last AGM | No. of Shares Held | No. of Outside Directorships of Public Companies | No. of Committee Memberships | No. of Committee Chairmanships |
|------------------------------|-----------------------------------|----------|----------------------|--------------------------|---------------------------|--------------------|--|------------------------------|--------------------------------|
| Mr. Ashok Kumar Jain         | Father of Mr. Vijay Jain          | P&ED     | 4                    | 4                        | Yes                       | 502718             | 1  | —                            | —                              |
| Mr. Vijay Jain               | Son of Mr. Ashok Kumar Jain       | ED       | 4                    | 4                        | Yes                       | 428500             | —  | —                            | —                              |
| Mr. Rajender Kumar Jain      | Brother of Mr. Ashok Kumar Jain   | P&ED     | 4                    | 4                        | Yes                       | 296000             | 1  | —                            | —                              |
| Mr. Bhansali Jeetendra Kumar | None                              | ED       | 4                    | 4                        | Yes                       | <b>NIL</b>         | —  | —                            | —                              |
| Mr. Dixit Prasanna Ramesh    | None                              | ED       | 4                    | 4                        | Yes                       | <b>NIL</b>         | —  | —                            | —                              |
| Ms. A Neelima Reddy          | None                              | ID&NED   | 4                    | 4                        | yes                       | <b>NIL</b>         | —  | <b>3</b>                     | <b>1</b>                       |
| Mr. Vinit Maharia            | None                              | ID&NED   | 4                    | 4                        | Yes                       | <b>NIL</b>         | —  | <b>3</b>                     | <b>1</b>                       |
| Mr. Budhi Prakash Toshniwal  | None                              | ID&NED   | 4                    | 4                        | Yes                       | <b>NIL</b>         | —  | <b>3</b>                     | <b>1</b>                       |
| Mr. Harinarayan Vyas         | None                              | ID&NED   | 4                    | 4                        | Yes                       | 2700               | —  | <b>3</b>                     | —                              |

**d) INFORMATION SUPPLIED TO THE BOARD:**

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required

- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e) FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarise with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Details of the same are available on [www.minfy.com](http://www.minfy.com).

**6. COMMITTEES OF THE BOARD:**

The Company has Three Board-level Committees- Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

**7. AUDIT COMMITTEE:**

**a) BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope

of audit as well as post-audit discussion to ascertain any area of concern.

- Reviewing the financial statements and draft audit report including quarterly/ half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the 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.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

**b) COMPOSITION, MEETINGS & ATTENDANCE:**

There were four (4) Audit Committee Meetings held during the year on 29/05/2015, 14/08/2015, 09/11/2015 and 12/02/2016.

| Name                        | Designation | Category | No of Meetings held | No of Meetings attended |
|-----------------------------|-------------|----------|---------------------|-------------------------|
| Mr. Budhi Prakash Toshniwal | Chairperson | NED(I)   | 4                   | 4                       |
| Ms. A Neelima Reddy         | Member      | NED(I)   | 4                   | 4                       |
| Mr. Vinit Maharia           | Member      | NED(I)   | 4                   | 4                       |
| Mr. Harinarayan Vyas        | Member      | NED(I)   | 4                   | 4                       |

**NED (I)** : Non Executive Independent Director.

**8. NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of three non-executive independent Directors

**a) BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

**b) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:**

There were Three (3) Committee Meetings held during the year on 29/05/2015, 14/08/2015 and 12/02/2016.

| Name                        | Designation | Category | No of Meetings held | No of Meetings attended |
|-----------------------------|-------------|----------|---------------------|-------------------------|
| Mr. Vinit Maharia           | Chairperson | NED(I)   | 3                   | 3                       |
| Ms. A Neelima Reddy         | Member      | NED(I)   | 3                   | 3                       |
| Mr. Budhi Prakash Toshniwal | Member      | NED(I)   | 3                   | 3                       |
| Mr. Harinarayan Vyas        | Member      | NED(I)   | 3                   | 3                       |

**NED (I):** Non Executive Independent Director

**c) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

**Policy:**

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
- General understanding of the company's business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

**2.1 The proposed appointee shall also fulfil the following requirements:**

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

**3. Criteria of independence**

- 3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- 3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

**4. Other directorships/ committee memberships**

- 4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.



- 4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

## **9. REMUNERATION OF DIRECTORS: -**

- a) **PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** The Non- Executive Directors have no pecuniary relationship or transactions.

### **b) CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:**

#### **Remuneration Policy:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

Policy for selection of Directors and determining Directors' Independence:

#### **1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### **2. Terms and References:**

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
3. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### **Remuneration policy for Directors, key managerial personnel and other employees:**

#### **1. Scope:**

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.



## 2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 “Director” means a director appointed to the Board of the company.
- 2.2 “key managerial personnel” means
- The Chief Executive Office or the managing director or the manager;
  - The company secretary;
  - The whole-time director;
  - The chief finance Officer; and
  - Such other office as may be prescribed under the companies Act, 2013
- 2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## 3. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2015-16 AND OTHER DISCLOSURES

| Name of the Director     | Salary (Rs.) | Sitting fees (Rs.) | No. of shares held | Service Contracts | Stock Option Details | Fixed Component | Performance Based Incentive |
|--------------------------|--------------|--------------------|--------------------|-------------------|----------------------|-----------------|-----------------------------|
| Ashok Kumar Jain         | 3,00,000/-   | 0                  | 502718             | —                 | —                    | —               | —                           |
| Vijay Jain               | 0.00/-       | 0                  | 428500             | —                 | —                    | —               | —                           |
| Bhansali Jeetendra Kumar | 3,00,000/-   | 0                  | NIL                | —                 | —                    | —               | —                           |
| Dixit Prasanna Ramesh    | 7,80,000/-   | 0                  | NIL                | —                 | —                    | —               | —                           |

## 10. STAKEHOLDER’S RELATIONSHIP COMMITTEE:

- a) The stakeholders’ relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- b) The broad terms of reference of the stakeholders’ relationship committee are as under:
- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/ notice/ annual reports, etc. and all other securities-holders related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

- The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:
- There were Three (3) Committee Meetings held during the year on 29/05/2015, 14/08/2015 and 12/02/2016.

| Name                        | Designation | Category | No of Meetings held | No of Meetings attended |
|-----------------------------|-------------|----------|---------------------|-------------------------|
| Ms. A Neelima Reddy         | Chairperson | NED(I)   | 3                   | 3                       |
| Mr. Vinit Maharia           | Member      | NED(I)   | 3                   | 3                       |
| Mr. Budhi Prakash Toshniwal | Member      | NED(I)   | 3                   | 3                       |
| Mr. Harinarayan Vyas        | Member      | NED(I)   | 3                   | 3                       |

**NED (I):** Non Executive Independent Director

**c) NAME AND DESIGNATION OF COMPLIANCE OFFICER:**

Ms. Neha Kalpande, Company Secretary of the company, is the compliance officer of the Company.

**d) DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16:**

| NUMBER OF COMPLAINTS   | NUMBER |
|--|--------|
| Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on | NIL    |
| Number of complaints resolved  | NA     |
| Number of complaints not resolved to the satisfaction of the investors as on March 31, 2016  | NIL    |
| Complaints pending as on March 31, 2016  | NIL    |
| Number of Share transfers pending for approval, as on March 31, 2016   | NIL    |

**11. INDEPENDENT DIRECTORS' MEETING:**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 31.03.2016, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations

and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program are given at company's website ([www.minfy.com](http://www.minfy.com)).

## **12. FORMAL ANNUAL EVALUATION:**

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder and regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had a meeting on 31/03/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- a) Review of the performance of non-independent directors and the Board as a whole;
- b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 5 non-independent directors namely:

1. Ashok Kumar Jain- Managing Director
2. Rajender Kumar Jain- Director
3. Vijay Jain- Director
4. Bhansali Jeetendra Kumar- Director
5. Dixit Prasanna Ramesh- Director

The meeting recognized the significant contribution made by Mr. Ashok Kumar Jain in directing the Company towards the success path and placing the Company globally in Software Market.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

### 13. DETAILS ON GENERAL BODY MEETINGS:

#### a) Location, date and time of last three AGMS and special resolutions there at as under:

| Financial Year | Date       | Time       | Location  | Special / Ordinary Resolution  |
|----------------|------------|------------|---|--|
| 2014-15        | 30.09.2015 | 11.00 A.M. | Registered office of the Company 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, HyderabadTelangana 500016 | 1. Appointment of Mr. Harinarayan Vyas as an Independent Director of the Company.<br>2. Alteration of Articles of Association of the Company.  |
| 2013-14        | 30.09.2014 | 11.00 A.M. | Registered office of the Company 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, HyderabadTelangana 500016 | 1. Appointment of Mr. Vinit Maharia as an Independent Director of the Company.<br>2. Appointment of Mr. Budhi Prakash Toshniwal as an Independent Director of the Company<br>3. Appointment of Ms. Allola Neelima Reddy Neelima Reddy as an Independent Director of the Company<br>4. Alteration of Articles of Association as per Companies Act, 2013<br>5. Appointment and Fixation of Remuneration of Mr. Ashok Kumar Jain, Managing Director of the Company. |
| 2012-13        | 30.09.2013 | 11.00 A.M. | Registered office of the Company 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, HyderabadTelangana 500016 | No special resolution Passed   |

#### e) PASSING OF RESOLUTIONS BY POSTAL BALLOT

The Company has passed the Resolution Through Postal Ballot to Amend the Object Clause of the Memorandum of Association of the Company. The Whole Process was conducted by the Mr. Ashok Kumar Jain, Managing Directors and Ms. Neha Kalpande, Company Secretary and Compliance officer of the Company. Postal Ballot was conducted as per the provisions of the Sections and the Rules given for the same.

#### 14. MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges, as soon as the same are taken on record/approved. These financial results are published in the Financial Express in English and Telugu language newspapers Andhra Prabha, respectively. These results are not distributed/ sent individually to the shareholders.

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate

Filing and Dissemination System viz., on [www.listing.bseindia.com](http://www.listing.bseindia.com). The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com).

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at [www.minfy.com](http://www.minfy.com)

#### 15. GENERAL SHAREHOLDER INFORMATION:

##### a) ANNUAL GENERAL MEETING:

The **25<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company will be held as per the following schedule:

**Day** Friday

**Date** 30<sup>th</sup> September, 2016

**Time** 11.00 am

**Venue** 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad-500016, Telangana.

##### b) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2016-17 (TENTATIVE SCHEDULE):-

The financial calendar (tentative) shall be as under:

| <b>Financial Year</b> | <b>01<sup>st</sup> April 2016 to 31<sup>st</sup> March 17</b> |
|-----------------------|---|
|-----------------------|---|

|                         |            |
|-------------------------|------------|
| First Quarterly Results | 10/08/2016 |
|-------------------------|------------|

|                          |            |
|--------------------------|------------|
| Second Quarterly Results | 10/11/2016 |
|--------------------------|------------|

|                         |            |
|-------------------------|------------|
| Third Quarterly Results | 11/02/2017 |
|-------------------------|------------|

|                          |            |
|--------------------------|------------|
| Fourth Quarterly Results | 30/05/2017 |
|--------------------------|------------|

Annual General Meeting for year ending 31st March, 2017 30/09/2017

##### c) DIVIDEND PAYMENT DATE: No Dividend was declared during the Financial Year 2015-16.

##### d) LISTING DETAILS:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, The Company entered into fresh Listing Agreement with BSE Limited during March, 2016.

Details of Stock Exchanges on which Company is Listed: -

|                   |   |   |
|-------------------|---|---|
| <b>Name</b>       | Bombay Stock Exchange Limited             | Ahmedabad Stock Exchange Limited  |
| <b>Address</b>    | P. J. Towers, Dalal Street Mumbai-400 001 | Kamdhenu Complex,<br>Opp, Sahajanand College,<br>Panjarapole, Ambawadi,<br>Ahmedabad – 380015 |
| <b>Security</b>   | 55,09,000 Equity Shares of                | 55,09,000 Equity Shares of Rupees   |
| <b>Listed</b>     | Rupees 10/- each                          | 10/- each   |
| <b>Stock Code</b> | 539383                                    | Voluntary Delisting Application has<br>filed in February, 2016.                               |

#### Market Price Data

| Month  | Open Price | High Price | Low Price | Close Price | No.of Shares | No. of Trades | Total Turnover (Rs.) | Del. Qty | % Del. Qty. to Trade Qty | Spread High-Low | Spread Close-Open |
|--------|------------|------------|-----------|-------------|--------------|---------------|----------------------|----------|--------------------------|-----------------|-------------------|
| 15-Oct | 6.33       | 8.63       | 6.33      | 8.15        | 18493        | 47            | 150530               | 18482    | 99.94                    | 2.3             | 1.82              |
| 15-Nov | 8.55       | 8.9        | 8.13      | 8.13        | 5812         | 14            | 48060                | 5812     | 100                      | 0.77            | -0.42             |
| 15-Dec | 8.5        | 8.53       | 7.33      | 7.33        | 3587         | 11            | 27273                | 3578     | 99.75                    | 1.2             | -1.17             |
| 16-Jan | 6.97       | 6.97       | 5.14      | 5.14        | 3812         | 16            | 23107                | 3812     | 100                      | 1.83            | -1.83             |
| 16-Feb | 4.89       | 4.89       | 2.98      | 2.98        | 2092         | 16            | 7795                 | 2092     | 100                      | 1.91            | -1.91             |
| 16-Mar | 3          | 3.74       | 2.94      | 3.74        | 29785        | 58            | 89588                | 28778    | 96.62                    | 0.8             | 0.74              |
| 16-Apr | 3.91       | 5.08       | 3.89      | 4.9         | 8666         | 23            | 40530                | 8564     | 98.82                    | 1.19            | 0.99              |
| 16-May | 5.04       | 5.95       | 5.04      | 5.94        | 2053         | 11            | 11829                | 2053     | 100                      | 0.91            | 0.9               |
| 16-Jun | 5.93       | 5.98       | 5.9       | 5.94        | 4136         | 9             | 24526                | 4136     | 100                      | 0.08            | 0.01              |
| 16-Jul | 6.23       | 6.54       | 5.42      | 5.42        | 2152         | 9             | 12058                | 2150     | 99.91                    | 1.12            | -0.81             |
| 16-Aug | 5.15       | 5.15       | 5.15      | 5.15        | 1095         | 4             | 5639                 | 1095     | 100                      | 0               | 0                 |

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to Ahmedabad Stock Exchange and Bombay Stock Exchange and the Company also applied for Voluntary delisting of its Equity Shares from the Ahmedabad Stock Exchange due to negligible volume of trading and as a part of cost reduction measures.

#### e) REGISTRAR & SHARE TRANSFER AGENTS:

M/s. Venture Capital and Corporate Investments Private Limited

12-10-167, Bharat Nagar, Hyderabad- 500018.

Ph: 040-23818475/ 23818476/ 23868023

Fax: 040-2386802

#### f) SHARE TRANSFER SYSTEM:

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/ are duly transferred and dispatched within a period of 15 days from the date of receipt.

**g) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2016:**

| Holding                 | Number of Shareholders<br>in the beginning of the<br>Financial Year | %     | No. of Shareholders<br>in the end of the<br>Financial Year | %     |
|-------------------------|---|-------|--|-------|
| <b>1– 5000</b>          | 1089  | 90.98 | 1101   | 91.28 |
| <b>5001– 10000</b>      | 38  | 3.17  | 34   | 2.81  |
| <b>10001– 20000</b>     | 23  | 1.92  | 25   | 2.07  |
| <b>20001– 30000</b>     | 14  | 1.17  | 14   | 1.16  |
| <b>30001– 40000</b>     | 11  | 0.91  | 11   | 0.91  |
| <b>40001– 50000</b>     | 3   | 0.25  | 2  | 0.16  |
| <b>50001– 100000</b>    | 6   | 0.50  | 7  | 0.58  |
| <b>100001 and above</b> | 13  | 1.08  | 13   | 1.08  |

**h) DEMATERIALISATION & LIQUIDITY OF SHARES:**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE019D01016. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. The Shares of the Company are under suspension in BSE Limited. Shares held in demat and Physical mode as on March 31, 2016 is as follows:

| Particulars | No. of Shares | % Share Capital |
|-------------|---------------|-----------------|
| NSDL        | 871343        | 15.81           |
| CDSL        | 4369256       | 79.32           |
| PHYSICAL    | 268401        | 4.87            |
| Total       | 5509000       | 100.00          |

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with respective depository participants

**i) ADDRESS FOR CORRESPONDENCE:**

CS Neha Kalpande

**Address:** 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad-500016, Telangana

**Tel:** +91 40 66134054/55

**j) BOOK CLOSURE DATE:**

The date of Book Closure for the purpose of Annual General Meeting shall be from 24/09/2016 to 30/09/2016 (both days inclusive).

**k) ELECTRONIC CONNECTIVITY:**

Demat ISIN Number: **INE019D01016**

**l) NATIONAL SECURITIES DEPOSITORY LIMITED**

Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013.

**m) CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

Phiroze Jeejee bhoy Towers, 28th Floor, Dalal Street, Mumbai – 400 023.

**16. OTHER DISCLOSURES:**

**a) COMPLIANCES:**

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**b) WHISTLE BLOWER / VIGIL MECHANISM POLICY:**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

**c) WEB-LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED.**

The company does not have any material' subsidiaries for the financial year 2015-16.

**d) WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website [www.minfy.com](http://www.minfy.com) The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.



All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, Accordingly, the disclosure of Related

Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

**e) DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

**f) COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **The Board & Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate of the company.
- **Shareholders' rights:** The quarterly results along with the press release are uploaded on the website of the Company [www.minfy.com](http://www.minfy.com) The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
- **Audit qualifications:** Company's financial statements are unqualified.
- The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

**g) DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company follows the guidelines of Accounting Standards referred to in section 133 of The Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 together with early adoption of Accounting Standard (AS) 30 'Financial instruments: Recognition and Measurement' and the consequential limited revisions to certain Accounting Standards issued by the Institute of Chartered Accountants of India.

**h) MISCELLANEOUS:**

- Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:
- Any change in their address/bank mandates and Particulars of the bank account in which they wish their dividend to be credited (in case the same has not been furnished

earlier); and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digits).

- **PERMANENT ACCOUNT NUMBER:**

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

- **NOMINATION FACILITY:**

Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit requisite Form as per the provisions of the Companies Act, 2013, to the Company's Registrar and Share Transfer Agent.

For and on behalf of the Board of Directors of

Mahaveer Infoway Limited

Sd/-

Place: Hyderabad

**Ashok Kumar Jain**

Date: 10.08.2016

Managing Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

**Mahaveer Infoway Limited**

We have examined the compliance of conditions of corporate governance by **MAHAVEER INFOWAY LIMITED** ('the Company') for the year ended 31 March, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with BSE Limited and Ahmadabad Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 regulations.

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

Place: Hyderabad

Date: 10.08.2016

Sd/-  
CA A Srilakshmi  
Partner  
For and on behalf of  
KALYANA & Co.,  
Chartered Accountants  
Membership No. 107945

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING  
OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATION, 2015**

To The Board of Directors

Mahaveer Infoway Limited

I, the undersigned, in my respective capacities as Chief Financial Officer of MAHAVEER INFOWAY LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- A. I have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2016 and that to the best of my knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. I further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. I hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- D. I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- E. I have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (1) significant changes, if any, in the internal control over financial reporting during the year;
  - (2) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sd/-

Place: Hyderabad

Date: 30.05.2016

Ravi Kumar Joshi  
Chief Financial Officer

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF MAHAVEER INFOWAY LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **MAHAVEER INFOWAY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. **As required by Section 143(3) of the Act, we report that:**
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s KALYANA & CO.**

Chartered Accountants

Firm's Registration No. 007095S

Sd/-

CA A Srilakshmi

Partner

M.No:107945

Place: Hyderabad

Date : 30.05.2016

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For M/s KALYANA & CO.**

Chartered Accountants

Firm's Registration No. 007095S

Sd/-

A.Srilakshmi

Partner

Membership No 107945

Place: Hyderabad

Date : 30.05.2016



## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Mahaveer Infoway Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control; stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such such internal financial controls system over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control; stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date : 30.05.2016

**For M/s KALYANA & CO.**  
Chartered Accountants  
Firm's Registration No. 007095S  
Sd/-  
A.Srilakshmi  
Partner  
Membership No 107945

**MAHAVEER INFOWAY LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2016**

(Amount in Rupees)

| Particulars                        | Note No. | As at the 31st March 2016 | As at the 31st March 2015 |
|------------------------------------|----------|---------------------------|---------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                           |                           |
| <b>1 Shareholders' funds</b>       |          |                           |                           |
| (a) Share capital                  | 2        | 55,090,000                | 55,090,000                |
| (b) Reserves and surplus           | 3        | 15,219,330                | 14,590,059                |
| <b>2 Non-current liabilities</b>   |          |                           |                           |
| (a) Long-term borrowings           | 4        | 874,671                   | 2,087,479                 |
| (b) Deferred tax liabilities (net) | 5        | 47,767                    | 382,250                   |
| <b>3 Current liabilities</b>       |          |                           |                           |
| (a) Short-term borrowings          | 6        | 57,768,365                | 55,921,261                |
| (b) Trade payables                 | 7        | 2,771,443                 | 17,528,559                |
| (c) Other current liabilities      | 8        | 1,484,877                 | 1,598,594                 |
| (d) Short-term provisions          | 9        | 1,292,577                 | 6,954,133                 |
| <b>TOTAL</b>                       |          | <b>134,549,031</b>        | <b>154,152,335</b>        |
| <b>II. ASSETS</b>                  |          |                           |                           |
| <b>1 Non-current assets</b>        |          |                           |                           |
| (a) Fixed assets                   | 10       |                           |                           |
| (i) Tangible assets                |          | 3,080,496                 | 3,485,615                 |
| (iii) Capital work-in-progress     |          | 11,382,420                | 14,210,170                |
| (b) Non-current investments        | 11       | 20,313,995                | 17,529,064                |
| <b>2 Current assets</b>            |          |                           |                           |
| (a) Inventories                    | 12       | 24,897,561                | 25,326,099                |
| (b) Trade receivables              | 13       | 31,106,519                | 57,340,072                |
| (c) Cash and cash equivalents      | 14       | 10,434,234                | 8,057,263                 |
| (d) Short term loans and advances  | 15       | 29,921,345                | 20,994,262                |
| (e) Other current assets           | 16       | 3,412,461                 | 7,209,788                 |
| <b>TOTAL</b>                       |          | <b>134,549,031</b>        | <b>154,152,335</b>        |

Significant Accounting Policy 1

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

M/s. KALYANA & CO

Chartered Accountants

Firm Registration Number: 007095S

Sd/-

CA A Srilakshmi

Partner

M.No:107945

Place: Hyderabad

Date: 30.05.2016

**For and on behalf of the Board of Directors**

Sd/-

Managing Director

Sd/-

Chief Financial Officer

Sd/-

Director

Sd/-

Company Secretary

**MAHAVEER INFOWAY LTD**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2016**  
**(Amount in Rupees)**

| Particulars |   | Refer<br>Note No. | For the Year ended<br>31st March , 2016 | For the Year ended<br>31st March , 2015 |
|-------------|---|-------------------|---|---|
| <b>I.</b>   | <b>Revenue From Operations</b>              |                   |   |   |
|             | Sales less Returns                          |                   | 258,066,873                             | 559,559,620                             |
| <b>II.</b>  | <b>Other income</b>                         | 17                | 46,678,721                              | 63,101,493                              |
| <b>III.</b> | <b>Total Revenue (I + II)</b>               |                   | <b>304,745,595</b>                      | <b>622,661,113</b>                      |
| <b>IV.</b>  | <b>Expenses:</b>                            |                   |   |   |
|             | Purchases less Returns                      |                   | 248,835,396                             | 528,327,182                             |
|             | (Increase)/Decrease in Stock                |                   | 270,715                                 | 17,193,188                              |
|             | Operating Expenses                          | 18                | 10,562,750                              | 27,255,883                              |
|             | Administrative and Other Expenses           | 19                | 37,350,385                              | 39,796,947                              |
|             | Depreciation expense                        | 10                | 762,876                                 | 888,675                                 |
|             | Interest                                    | 20                | 5,935,669                               | 6,097,964                               |
|             | Loss From Tech Minfy LLP                    |                   | 484,459                                 | 305,906                                 |
|             | Total expenses                              |                   | 304,202,251                             | 619,865,745                             |
| <b>V</b>    | <b>Profit before tax (III- IV)</b>          |                   | <b>543,344</b>                          | <b>2,795,368</b>                        |
| <b>VI</b>   | <b>Tax expense:</b>                         |                   |   |   |
|             | (1) Current tax                             |                   | 248,556                                 | 946,073                                 |
|             | (2) Minimum Alternate Tax                   |                   | -                                       | -                                       |
|             | (2) Deferred tax                            |                   | -334,483                                | 167,766                                 |
|             |   |                   | -85,927                                 | 1,113,839                               |
| <b>VII</b>  | <b>Profit (loss) for the period (V- VI)</b> |                   | <b>629,271</b>                          | <b>1,681,529</b>                        |
| <b>VIII</b> | <b>Earnings per equity share:</b>           |                   |   |   |
|             | (1) Basic                                   | 21                | 0.11                                    | 0.31                                    |
|             | (2) Diluted                                 |                   |   |   |

Significant Accounting Policy

1

The Notes referred to above form an integral part of the 'Statement of Profit & Loss'.

This is the 'Statement of Profit & Loss' referred to in our Report of even date.

For and on behalf of

M/s. KALYANA & CO

Chartered Accountants

Firm Registration Number: 007095S

Sd/-

CA A Srilakshmi

Partner

M.No:107945

Place: Hyderabad

Date: 30.05.2016

**For and on behalf of the Board of Directors**

Sd/-

Managing Director

Sd/-

Chief Financial Officer

Sd/-

Director

Sd/-

Company Secretary

**MAHAVEER INFOWAY LTD**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

| Particulars   | 2015-2016        | 2014-2015          |
|---|------------------|--------------------|
| <b>Cash Flow From Operating Activity :</b>                                |                  |                    |
| Net Profit for Year carried to B/S  | 629,271          | 1,681,530          |
| <b>Adjustments for :</b>  |                  |                    |
| Provisions for income tax   | -                | 946,073            |
| Deferred Tax Income   | (334,483)        | 167,766            |
| Depreciation  | 762,876          | 888,675            |
| Finanacial Charges  | 5,935,669        | 6,097,964          |
| Interest Received   | (272,601)        | (273,013)          |
| Dividend Received   | -                | -                  |
| Sundry Balances Written Off   | -                | 32,967             |
| Donations   | -                | 4,200              |
| <b>Cash Flow before Working Capital Changes</b>                           | <b>6,720,732</b> | <b>9,546,162</b>   |
| (Increase)/Decrease in Debtors  | 26,233,554       | 42,000,632         |
| (Increase)/Decrease in stock  | 428,538          | 17,054,278         |
| (Increase)/Decrease in Advances   | (8,927,083)      | 2,213,240          |
| (Increase)/Decrease in other Current Assets                               | 3,797,327        | (2,131,798)        |
| Increase/(Decrease) in Current Liabilities                                | (20,532,389)     | (55,042,148)       |
| <b>Cash Flow after Working Capital Changes</b>                            | <b>7,720,679</b> | <b>13,640,366</b>  |
| Less : Tax paid   | -                | -                  |
| <b>Net Cash Flow from Operating Activities before Extraordinary items</b> | <b>7,720,679</b> | <b>13,640,366</b>  |
| Less: Sundry Balance Written Off  | -                | -                  |
| Less: Donations   | -                | -                  |
| <b>Cash Flow after Extraordinary Items</b>                                | <b>7,720,679</b> | <b>13,640,366</b>  |
| <b>Cash Flow From Investing Activity :</b>                                |                  |                    |
| Sale/(Purchase) of Fixed Assets   | 2,469,992        | (8,696,943)        |
| Interest Received   | 272,601          | 273,013            |
| Dividend received   | -                | -                  |
| Sale/(Purchase) of Investment   | (2,784,931)      | 770,246            |
| <b>Net Cash Flow from Investing Activities</b>                            | <b>(42,338)</b>  | <b>(7,653,684)</b> |

| Particulars                                    | 2015-2016          | 2014-2015          |
|--|--------------------|--------------------|
| <b>Cash Flow From Financing Activity :</b>     |                    |                    |
| Financial Charges                              | (5,935,669)        | (6,097,964)        |
| Secured Loan raised                            | -                  | 10,870,006         |
| Repayment of Long Term Borrowings              | (1,212,808)        | -                  |
| Loans from Directors                           | 1,847,104          | 610,784            |
| Unsecured Loans raised/(repaid)                | -                  | (7,795,598)        |
| <b>Net Cash Flow from Financing Activities</b> | <b>(5,301,373)</b> | <b>(2,412,772)</b> |
| Net Cash Flow from Operating Activities        | 7,720,679          | 13,640,366         |
| Net Cash Flow from Investing Activities        | (42,338)           | (7,653,684)        |
| Net Cash Flow from Financing Activities        | (5,301,373)        | (2,412,772)        |
|  | 2,376,968          | 3,573,910          |
| Add: Opening Cash and Cash Equivalents         | 8,057,265          | 4,483,355          |
| <b>Closing Cash and Cash Equivalents</b>       | <b>10,434,233</b>  | <b>8,057,265</b>   |

### AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of Mahaveer Infoway Ltd derived from the audited annual accounts for the year ended 31-3-2016 and found the same to be drawn in accordance therein and also with the requirement of Regulation 34 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015

For and on behalf of  
M/s. KALYANA & CO  
Chartered Accountants  
Firm Registration Number: 007095S  
Sd/-  
CA A Srilakshmi  
Partner  
M.No:107945

### For and on behalf of the Board of Directors

Sd/-  
Managing Director  
Sd/-  
Chief Financial Officer

Sd/-  
Director  
Sd/-  
Company Secretary

Place: Hyderabad  
Date: 30.05.2016

# **MAHAVEER INFOWAY LIMITED**

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **Corporate Information**

Mahaveer Infoway Ltd was incorporated on May 13, 1991 as a private limited company with the name Mahaveer Leafin and Holdings Pvt Ltd. The company was promoted by Ashok Kumar Jain, a Seasoned Business Professional with magnitude of experience in Banking, Finance and Business Management Operations.

In February 13, 1996, the company was converted into public limited company by listing the Bombay Stock Exchange and the name was changed to Mahaveer Leafin and Holdings Ltd.

In January 7, 2000, the company changed their name from Mahaveer Leafin and Holdings Ltd to Mahaveer Infoway Ltd and carrying the activities of mobile handset manufacturing and trading under the brand name and style 'ZINK' across the various parts of the country. In addition to this the company also does staffing and software development services.

### **1. Significant Accounting Policies:**

#### **1.1 Basis of Accounting and Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **1.2 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **1.3. Fixed Assets and Depreciation**

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized comprises material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage

Expenditure incurred during construction period directly attributable to the fixed assets is transferred to capital work in progress. The estimated Useful life of assets is based on past experience of the company, which is different from the useful life as prescribed in Schedule-II to the companies Act, 2013.

#### **1.4 Revenue Recognition**

Revenue is primarily derived from sale of trading goods and software development and related Services.

Income is recognized on accrual basis unless otherwise stated in these accounts.

**a) Revenue from Sale of Trading goods:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

**b) Revenue from software development services:**

- i) Revenue for services is recognized after completion of each stage of service.
- ii) Revenue from software development (on time or material basis) is recognized based on software developed and billed to the clients.

The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

**1.5 Foreign currency transactions**

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**1.6 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.

**1.7 Inventories:**

Items of inventories are measured at lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

**1.8 Employee Benefits**

**a) Short Term Employee Benefits**

A short term employee benefit includes salaries and incentives.

**b) Defined Contribution Plan**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.



### **1.9. Borrowing Costs**

Borrowing Costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing Costs allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

### **1.10. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating basic and diluted earnings per share, the net profit/ (loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year will be adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

### **1.11. 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.

### **1.12. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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 operating, investing and financing activities of the Company are segregated based on the available information

### **1.13. Provisions and contingent liabilities**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed in the Notes to the Financial Statements. A Contingent asset is neither recognized nor disclosed in the Financial Statements.

#### 1.14 Earnings per Share (EPS)

| Particulars  | 2015-16   | 2014-15   |
|--|-----------|-----------|
| Net Profit/ (Loss) after taxes for the year (Rs.)  | 6,29,271  | 16,81,530 |
| Weighted average number of Equity Shares of Rs.10 each outstanding during the period(Used for calculation of Basic and Diluted Earnings Per Share) | 55,09,000 | 5,509,000 |
| Earnings per Share Basic and Diluted (Rs.)   | 0.11      | 0.31      |
| Nominal value per share (Rs.)  | 10        | 10        |

#### 1.15. 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

#### 1.16. Investments

- Investment includes 5000 shares of Arihant Optics Limited amounting to Rs.5,00,000/-.
- Investment includes Rs. 98,000/- towards subscription of shares in Minfy Technologies Private Limited
- Investment includes Rs.3,00,000/- towards subscription of shares in Mahaveer Telecom Private Limited.
- Investments in Skyscrapers unquoted equity shares of worth Rs. 26, 19,000/-
- Investment in Minfy Impex amounts to Rs.24,29,025/-.
- Investment in Trimurthy Drugs & Pharma equity shares of worth Rs. 1,42,50,000/-
- Investment in Tech Minfy Info Solutions LLP amounts to Rs. 50,000/-
- Investment in Lacis Tech Minfy Info Solutions LLP amounts to Rs. 50,000/-

#### 1.17. Fixed Assets

Capital Work-in-progress: current status for 2016

Company has incurred an expenditure on construction of building of Rs.1, 13, 82,420/- which is certified by the management of the company is shown as capital work-in-progress along with the opening Capital work-in-progress.

#### 1.18.Segment Reporting

Consequent to the internal reorganization there were changes effected in the reportable industry segments based on the “management approach” as laid down in AS17.

Industry segments for the company are

Mobile-Handsets trading.

Staffing/HR Related Services

IT Software Development

Bitumen Trading

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include expenses incurred for rendering services from the company's off shore software development centers which are categorized in relation to the associated turnover of the segment.

#### 1.19. 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  | Minfy Technologies Private Limited<br>Mahaveer Telecom Private Limited  |
| Key Management Personnel (KMP)                                    | Mr. Ashok Kumar Jain – Managing Director<br>Mr. Rajender Kumar Jain - Director<br>Mr. Vijay Jain -Director<br>Mr. Jeetendra Bhansali - Director<br>Mr. Prasanna Dixit - Director<br>Mrs. Allola Neelima Reddy -Director<br>Mr. Vinit Maharia -Director<br>Mr. Budhi Prakash Toshniwal - Director<br>Mr. Harinarayan Vyas-Director |
| Enterprises where KMP have significant influence                  | Mahaveer Skyscrapers Ltd  |
| Firm in which Director/Manager or his relative is a partner       | Mahaveer Industries   |
| Private company in which Director/Manager is a Member or Director | LARR Resources Private Limited  |
| Any other Body Corporate  | Tech Minfy Info Solutions<br>'Lacis Tech Minfy Info Solutions LLP   |

##### b) Summary of Transactions with the above related parties at the end of the respective financial year's are as follow (Amount in Rs.)

| Particulars  | 2015-16     | 2014-15   |
|--|-------------|-----------|
| Investment in Enterprises where KMP have significant influence | 26,19,000   | 26,19,000 |
| Remuneration to KMP:-  |             | 14,52,000 |
| To Managing Director & Other Directors                         | 13,80,000/- |           |
| To Remuneration KMP  | 7,94,000/-  |           |
| Rent Paid to relative of KMP                                   | 7,20,000    | 6,30,000  |
| Loans and advances taken from KMP (Interest free loans)        | 55,66,717   | 34,65,184 |
| Loans and advances given to KMP (Interest free loans)          | -           | -         |

|  |           |             |
|--|-----------|-------------|
| Loans and advances taken from relatives of KMP (Interest free loan)    | -         | -           |
| Loans and advances given to relatives of KMP                           | -         | -           |
| Purchase of goods from Subsidiary (MTPL)                               | 24,18,077 | 7,39,70,920 |
| Investment in Body Corporate (50,000 Tech minfy LLP +50,000 Lacis LLP) | 100,000   | 50,000      |
| Loans and advances to Subsidiaries                                     | 22,62,949 | 85,22,616   |
| Loan to Body Corporate   | 36,52,726 | 13,12,115   |

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.

## 1.20. Taxation

Current tax is the amount of tax payable on taxable income for the period determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty that such assets will be realised in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

1.21 The Company has not having the suppliers who are registered as Micro, Small, Medium Enterprise as on March 31, 2016 in terms of the provisions of "The Micro, Small, and Medium Enterprises Development Act, 2006".

## 1.22. Managerial Remuneration

(Amount in Rs.)

| Particulars             | 2015-16          | 2014-15          |
|-------------------------|------------------|------------------|
| Salaries and Allowances | 13,80,000        | 14,52,000        |
| <b>Total</b>            | <b>13,80,000</b> | <b>14,52,000</b> |

## 1.23 Auditor's Remuneration (Amount in Rs.)

| Particulars                        | 2016          | 2015          |
|------------------------------------|---------------|---------------|
| Audit Fees (excluding service tax) | 75,000        | 75,000        |
| <b>Total</b>                       | <b>75,000</b> | <b>75,000</b> |

1.24. 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.

## 1.25 Foreign Exchange Inflow

(Amount in Lakhs)

| Particulars       | 2016         | 2015         |
|-------------------|--------------|--------------|
| Services rendered | 11.02        | 28.59        |
| <b>Total</b>      | <b>11.02</b> | <b>28.59</b> |

**1.26.** 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.

**1.27.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

## **2. SHARE CAPITAL**

(Amount in Rs.)

| <b>Particulars</b>   | <b>As at 31st March 2016</b> | <b>As at 31st March 2015</b> |
|--|------------------------------|------------------------------|
| Authorised<br>60,00,000 Equity Shares of Rs. 10 each                         | 60,000,000                   | 60,000,000                   |
| Issued, Subscribed & fully Paid up<br>55,09,000 Equity Shares of Rs. 10 each | 55,090,000                   | 55,090,000                   |
| <b>Total</b>   | <b>55,090,000</b>            | <b>55,090,000</b>            |

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

| <b>Name of Shareholder</b> | <b>Equity Shares</b>         |                           | <b>Equity Shares</b>         |                           |
|----------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
|                            | <b>As at 31st March 2016</b> |                           | <b>As at 31st March 2015</b> |                           |
|                            | <b>% of Holding</b>          | <b>No. of Shares held</b> | <b>% of Holding</b>          | <b>No. of Shares held</b> |
| Ashok Kumar Jain           | 9.13                         | 502,718                   | 9.13                         | 502,718                   |
| Vijay Kumar Kothari        | 7.78                         | 428,500                   | 7.78                         | 428,500                   |
| Rajender Kumar Jain        | 5.37                         | 296,000                   | 5.37                         | 296,000                   |

## **3. Reserves and Surplus**

(Amount in Rs.)

| <b>Particulars</b>                             | <b>As at 31st March 2016</b> | <b>As at 31st March 2015</b> |
|--|------------------------------|------------------------------|
| 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                                | 14,110,311                   | 12,428,781                   |
| (+) Net Profit/(Net Loss) For the current year | 629,271                      | 1,681,530                    |
| (-) Dividends Paid                             | -                            | -                            |
| (-) Dividend Tax and Surcharge thereon         | -                            | -                            |
| Closing Balance                                | 14,739,582                   | 14,110,311                   |
| <b>Total</b>                                   | <b>15,219,330</b>            | <b>14,590,059</b>            |

**4. Long term borrowings** (Amount in Rs.)

| Particulars         | As at 31st March 2016 | As at 31st March 2015 |
|---------------------|-----------------------|-----------------------|
| Axis bank Term Loan | 874,671               | 2,087,479             |
| Total               | 874,671               | 2,087,479             |

**5. Computation of Deferred Tax Liability**

31-Mar-2016

| Particulars                                     | Book Value | Tax Value | Difference |
|---|------------|-----------|------------|
| Fixed Assets                                    | 3,080,496  | 3,235,083 | (154,587)  |
| Total of Fixed Assets (Deferred Liability)      | 3,080,496  | 3,235,083 | (154,587)  |
| Total Deferred Assets                           | -          | -         | -          |
| Total timing difference                         | 3,080,496  | 3,235,083 | (154,587)  |
| Deferred Tax (Liability) Asset as at 31.03.2016 |            |           | (47,767)   |
| Deferred Tax (Liability) Asset as at 31.03.2015 |            |           | (382,250)  |
| Balance to be credited to P & L A/C             |            |           | 334,483    |

**6. Short term borrowings** (Amount in Rs.)

| Particulars                | As at 31st March 2016 | As at 31st March 2015 |
|----------------------------|-----------------------|-----------------------|
| Cash Credit from Axis Bank | 52,201,648            | 52,456,077            |
| Loans from Directors       | 5,566,717             | 3,465,184             |
| Others                     | -                     | -                     |
| Total                      | 57,768,365            | 55,921,261            |

**7. Trade Payables** (Amount in Rs.)

| Particulars                                    | As at 31st March 2016 | As at 31st March 2015 |
|--|-----------------------|-----------------------|
| Dues to Micro and Small Enterprises            | -                     | -                     |
| Dues to other than Micro and Small Enterprises |                       |                       |
| (a) Trade Payables (including LC Payments)     | 2,771,443             | 17,528,559            |
| Total  | 2,771,443             | 17,528,559            |

**8. Other current liabilities** (Amount in Rs.)

| Particulars               | As at 31st March 2016 | As at 31st March 2015 |
|---------------------------|-----------------------|-----------------------|
| Other current Liabilities | 1,484,877             | 1,598,594             |
| Total                     | 1,484,877             | 1,598,594             |

**9. Short term provisions**

(Amount in Rs.)

| Particulars                          | As at 31st March 2016 | As at 31st March 2015 |
|--------------------------------------|-----------------------|-----------------------|
| Provision for taxation               | 248,556               | 946,073               |
| Dividend on Equity Shares            | -                     | -                     |
| Provision for Corporate Dividend Tax | -                     | -                     |
| Other provisions                     | 1,044,021             | 6,008,060             |
| <b>Total</b>                         | <b>1,292,577</b>      | <b>6,954,133</b>      |

**10. Depreciation Schedule as per Companies Act, 2013****Note 10**

| S. No. | Particulars          | GROSS BLOCK     |           |           |                | DEPRECIATION    |                  |                |                | NETBLOCK       |                |
|--------|----------------------|-----------------|-----------|-----------|----------------|-----------------|------------------|----------------|----------------|----------------|----------------|
|        |                      | As on 1.04.2015 | Additions | Deletions | As on 31.03.16 | As on 1.04.2015 | For Current year | Dep Adjustment | As on 31.03.16 | As on 31.03.16 | As on 31.03.15 |
| 1      | Land & Building      | 1,281,180       | -         | -         | 1,281,180      |                 | -                | -              | -              | 1,281,180      | 1,281,180      |
| 2      | Plant & Machinery    | 729,539         | -         | -         | 729,539        | 397,787         | 60,047           | -              | 457,834        | 271,705        | 331,752        |
| 3      | Computers            | 3,281,223       | -         | -         | 3,281,223      | 3,093,940       | 118,288          | -              | 3,212,228      | 68,995         | 187,283        |
| 4      | Office Equipment     | 291,054         | 338,488   | -         | 629,542        | 60,743          | 149,955          | -              | 210,698        | 418,844        | 230,311        |
| 5      | Furniture & Fixtures | 2,353,644       | 16,200    | 62,485    | 2,307,359      | 1,802,131       | 129,814          | -              | 1,931,945      | 375,414        | 489,028        |
| 6      | Vehicles             | 4,057,989       | -         | 1,277,958 | 2,780,031      | 1,813,971       | 301,701          | -              | 2,115,672      | 664,359        | 966,060        |
|        |                      | 11,994,629      | 354,688   | 1,340,443 | 11,008,874     | 7,168,572       | 762,876          | -              | 7,928,378      | 3,080,496      | 3,485,614      |
| 7      | WIP                  | 14,210,170      | 2,672,250 | 5,500,000 | 11,382,420     | -               | -                | -              | -              | 11,382,420     | 14,210,170     |

**11. Non-current investments**

(Amount in Rs.)

| Particulars                                | As at 31st March 2016 | As at 31st March 2015 |
|--|-----------------------|-----------------------|
| Mahaveer Skyscraper Limited (Equity)       | 2,619,000             | 2,619,000             |
| Mahaveer Telecom Pvt Limited (Equity)      | 300,000               | 300,000               |
| Mahaveer Projects Pvt Limited (Equity)     | 98,000                | 98,000                |
| Leo Infrastructure                         | -                     | -                     |
| Arihant Optics Ltd                         | 500,000               | 500,000               |
| Hygrowth Finance                           | 15,000                | 15,000                |
| Minfy Impex                                | 2,429,025             | -                     |
| Tech Minfy Info Solutions LLP capital      | 50,000                | (255,906)             |
| Lacis Techminfy Info Solutions LLP capital | 50,000                | -                     |
| CIL Securities                             | 2,970                 | 2,970                 |
| Trimurthy Drugs & Pharma ( equity)         | 14,250,000            | 14,250,000            |
| <b>Total</b>                               | <b>20,313,995</b>     | <b>17,529,064</b>     |

**12. Inventories**

(Amount in Rs.)

| Particulars   | As at 31st March 2016 | As at 31st March 2015 |
|---|-----------------------|-----------------------|
| (As certified by the management, at cost or net realizable value whichever is less) |                       |                       |
| Closing Stock   | 24,897,561            | 25,326,099            |
| <b>Total</b>  | <b>24,897,561</b>     | <b>25,326,099</b>     |

**13. Trade Receivables**

(Amount in Rs.)

| Particulars   | As at 31st March 2016 | As at 31st March 2015 |
|---|-----------------------|-----------------------|
| Outstanding for a period less than six months from the date they are due for payment Unsecured, considered good | 31,106,519            | 57,340,072            |
| Total   | 31,106,519            | 57,340,072            |

**14. Cash and bank balances**

(Amount in Rs.)

| Particulars                      | As at 31st March 2016 | As at 31st March 2015 |
|----------------------------------|-----------------------|-----------------------|
| <b>Cash and cash equivalents</b> |                       |                       |
| Cash on hand                     | 1,647,263             | 5,897,834             |
| <b>Bank balances</b>             |                       |                       |
| In current accounts              | 716,767               | 254,164               |
| In OD                            | 8,070,205             | 1,905,264             |
| Total                            | 10,434,234            | 8,057,265             |

**15. Short term loans and advances**

(Amount in Rs.)

| Particulars  | As at 31st March 2016 | As at 31st March 2015 |
|--|-----------------------|-----------------------|
| <b>Unsecured Considered good</b>                                 |                       |                       |
| Advances recoverable in cash or kind or for value to be received | 2,09,94,526           | 8,638,320             |
| Advance income tax and TDS                                       | 3,006,145             | 2,521,210             |
| Loan to Tech Minfy Info Solutions LLP                            | 27,57,726             | 1,312,115             |
| Loan to LAcis Tech Minfy Info Solutions LLP                      | 8,95,000              | -                     |
| MTPL   | 2,262,949             | 8,522,617             |
| Total  | 29,921,345            | 20,994,262            |

**16. Other Current assets**

(Amount in Rs.)

| Particulars          | As at 31st March 2016 | As at 31st March 2015 |
|----------------------|-----------------------|-----------------------|
| Deposits             | 1,858,702             | 4,782,767             |
| Other Current Assets | 1,553,760             | 2,427,021             |
| Total                | 3,412,461             | 7,209,788             |



| <b>17. Other Income</b>   |   | (Amount in Rs.)                               |
|---------------------------|---|---|
| <b>Particulars</b>        | <b>For the year ended<br/>31st March 2016</b> | <b>For the year ended<br/>31st March 2015</b> |
| Interest Income           | 272,601                                       | 273,013                                       |
| Other Income              | 38,133,837                                    | 622,727                                       |
| Videocon Income           | -   | 35,305,699                                    |
| Staffing Income           | 354,048                                       | 10,118,947                                    |
| Discount received         | 6,320,681                                     | 8,181,092                                     |
| Miscellaneous Income      | 43,361  | 4,485,071                                     |
| Export Service Income     | 1,101,605                                     | 2,859,084                                     |
| Web Development Income    | 452,589                                       | 1,193,810                                     |
| Education Division Income | -   | 62,050  |
| <b>Total</b>              | <b>46,678,721</b>                             | <b>63,101,493</b>                             |

#### **18. Operating Expenditure**

| <b>Particulars</b>        | <b>For the year ended<br/>31st March 2016</b> | <b>For the year ended<br/>31st March 2015</b> |
|---------------------------|---|---|
| Advertisement Expenses    | -   | 47,800  |
| Electricity Charges       | 149,192                                       | 269,203                                       |
| Communication Expenses    | 70,860  | 303,848                                       |
| Travelling and Conveyance | 38,250  | 534,611                                       |
| Other Expenses            | 4,089,123                                     | 6,861,198                                     |
| Rent 1,065,600            | 1,020,720                                     |   |
| Staff Welfare Expenses    | 564,648                                       | 354,610                                       |
| Salaries and Bonus        | 3,777,533                                     | 15,957,942                                    |
| Repairs and Maintenance   | 79,164  | 229,851                                       |
| Office Maintenance        | 233,295                                       | 560,671                                       |
| Costing Expenses          | 495,085                                       | 1,115,428                                     |
| <b>Total</b>              | <b>10,562,750</b>                             | <b>27,255,883</b>                             |

**19. Administrative and Other Expenses**

| <b>Particulars</b>                                | <b>For the year ended<br/>31st March 2016</b> | <b>For the year ended<br/>31st March 2015</b> |
|---|---|---|
| Rates and Taxes                                   | 3,599,421                                     | 2,469,729                                     |
| Legal and Consultancy Charges                     | 127,488                                       | 60,500  |
| Insurance   | 80,742  | 158,884                                       |
| Professional Charges                              | 244,017                                       | -   |
| DTH & other related Exp.<br>(Videocon & Reliance) | 30,623,692                                    | 33,755,197                                    |
| Printing & Stationary                             | 65,087  | 122,339                                       |
| Bank Charges                                      | 187,662                                       | 734,845                                       |
| Commission paid                                   | -   | 440,598                                       |
| Annual Charges                                    | 110,778                                       | 62,572  |
| Filing & Listing Fees                             | 253,715                                       | 648,163                                       |
| Business Promotions                               | -   | 292,389                                       |
| Staffing Expenses                                 | -   | 326,163                                       |
| Other Expenses                                    | 2,057,783                                     | 636,851                                       |
| Interest on Late Payments                         | -   | 88,718  |
| <b>Total</b>                                      | <b>37,350,385</b>                             | <b>39,796,948</b>                             |

**20. Interest & Finance Charges**

| <b>Particulars</b>         | <b>For the year ended<br/>31st March 2016</b> | <b>For the year ended<br/>31st March 2015</b> |
|----------------------------|---|---|
| Interest & Finance Charges | 5,935,669                                     | 6,097,964                                     |
| <b>Total</b>               | <b>5,935,669</b>                              | <b>6,097,964</b>                              |

For and on behalf of  
M/s. KALYANA & CO  
Chartered Accountants  
Firm Registration Number: 007095S  
Sd/-  
CA A Srilakshmi  
Partner  
M.No:107945

Place: Hyderabad  
Date: 30.05.2016

**For and on behalf of the Board of Directors**

Sd/-  
Managing Director  
Sd/-  
Chief Financial Officer

Sd/-  
Director  
Sd/-  
Company Secretary

## CONSOLIDATED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
MAHAVEER INFOWAY LIMITED  
Report on the Consolidated Financial Statements.

We have audited the accompanying Consolidated financial statements of **MAHAVEER INFOWAY LIMITED** ("the Holding Company"), comprising the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s KALYANA & CO.  
Chartered Accountants  
Firm Registration No. 007095S  
Sd/-  
A Srilakshmi  
Partner  
M.No:107945

Place: Hyderabad  
Date : 30.05.2016

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of**

Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahaveer Infoway Limited ("the Holding Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control; stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control; stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s KALYANA & CO.**  
Chartered Accountants  
Firm's Registration No. 007095S

Place: Hyderabad  
Date : 30.05.2016

Sd/-  
CA. A.Srilakshmi  
Partner  
Membership No. 107945

**MAHAVEER INFOWAY LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2016**

Amount in Rs.

|            | Particulars                       | Note No.  | As at<br>31st March 2016 | As at<br>31st March 2015 |
|------------|-----------------------------------|-----------|--------------------------|--------------------------|
| <b>1</b>   | <b>Shareholders' funds</b>        |           |                          |                          |
|            | (a) Share Capital                 | 2         | 55,090,000               | 55,090,000               |
|            | (b) Reserves and Surplus          | 3         | 18,107,453               | 15,945,903               |
| <b>2</b>   | <b>Minority Interest</b>          |           | <b>1,021,929</b>         | <b>974,884</b>           |
| <b>3</b>   | <b>Non-current liabilities</b>    |           |                          |                          |
|            | (a) Long term borrowings          | 4         | 874,671                  | 2,087,479                |
|            | (b) Deferred tax Liabilities      | 5         | 47,767                   | 382,618                  |
| <b>4</b>   | <b>Current liabilities</b>        |           |                          |                          |
|            | (a) Short term borrowings         | 6         | 64,236,895               | 59,944,363               |
|            | (b) Trade Payables                | 7         | 6,259,267                | 39,957,129               |
|            | (c) Other Current Liabilities     | 8         | 2,701,256                | 2,560,997                |
|            | (d) Short Term Provisions         | 9         | 4,407,352                | 10,309,951               |
|            | <b>TOTAL</b>                      |           | <b>152,746,590</b>       | <b>187,253,323</b>       |
| <b>II.</b> | <b>ASSETS</b>                     |           |                          |                          |
|            | <b>Non-current assets</b>         |           |                          |                          |
| <b>1</b>   | <b>(a) Fixed assets</b>           | <b>10</b> |                          |                          |
|            | i) Tangible assets                |           | 3,109,413                | 3,485,615                |
|            | ii) Capital Work in Progress      |           | 11,382,420               | 14,210,170               |
|            | (b) Non-Current investments       | 11        | 19,915,995               | 17,131,064               |
|            | (c) Other Non-Current assets      | 12        | 47,525                   | 47,525                   |
|            | (d) Long term Loans & Advances    | 13        | -                        | -                        |
| <b>2</b>   | <b>Current assets</b>             |           |                          |                          |
|            | (a) Inventories                   | 14        | 28,686,980               | 29,380,648               |
|            | (b) Trade receivables             | 15        | 39,533,482               | 83,511,581               |
|            | (c) Cash and Cash Equivalents     | 16        | 12,911,576               | 9,299,638                |
|            | (d) Short term loans and advances | 17        | 30,500,605               | 21,009,759               |
|            | (e) Other Current assets          | 18        | 6,658,594                | 9,177,323                |
|            | <b>TOTAL</b>                      |           | <b>152,746,590</b>       | <b>187,253,323</b>       |

Significant Accounting Policies

1

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  
M/s. KALYANA & CO  
Chartered Accountants  
Firm Registration Number: 007095S  
Sd/-  
CA. A Srilakshmi  
Partner  
M.No:107945  
Place: Hyderabad  
Date: 30.05.2016

**For and on behalf of the Board of Directors**

Sd/-  
Managing Director  
Sd/-  
Chief Financial Officer

Sd/-  
Director  
Sd/-  
Company Secretary

**MAHAVEER INFOWAY LIMITED**  
**Consolidated Profit and loss Account for the year ended 31st March, 2016**

Amount in Rs.

|             | Particulars                                 | Refer<br>Note No. | For the Year ended<br>31st March 2016 | For the Year ended<br>31st March 2015 |
|-------------|---|-------------------|---------------------------------------|---------------------------------------|
| <b>I.</b>   | <b>Revenue from Operations</b>              |                   |                                       |                                       |
| a           | Sale less Returns                           |                   | 310,126,614                           | 781,457,111                           |
| <b>II.</b>  | <b>Other income</b>                         | <b>19</b>         | <b>46,854,966</b>                     | <b>66,747,582</b>                     |
| <b>III.</b> | <b>Total Revenue (I + II)</b>               |                   | <b>356,981,580</b>                    | <b>848,204,693</b>                    |
| <b>IV.</b>  | <b>Expenses:</b>                            |                   |                                       |                                       |
|             | Cost of Materials Consumed                  |                   | 260,944,305                           | 713,634,859                           |
|             | Changes in Inventory                        |                   | 535,845                               | 31,976,006                            |
|             | Operating Expenses                          | 20                | 42,714,512                            | 48,450,538                            |
|             | Administrative and Other Expenses           | 21                | 42,695,324                            | 42,481,950                            |
|             | Depreciation expense                        |                   | 767,979                               | 890,820                               |
|             | Finance Expenses                            | 22                | 5,967,169                             | 6,453,965                             |
|             | Loss From Tech Minfy LLP                    |                   | 484,459                               | 305,906                               |
| <b>V</b>    | <b>Total expenses</b>                       |                   | <b>354,109,593</b>                    | <b>844,194,044</b>                    |
| <b>VI</b>   | <b>Profit before tax (III- IV)</b>          |                   | <b>2,871,987</b>                      | <b>4,010,649</b>                      |
| <b>VII</b>  | <b>Tax expense:</b>                         |                   |                                       |                                       |
|             | (1) Current tax                             |                   | 998,241                               | 1,335,275                             |
|             | (2) Minimum Alternate Tax                   |                   | -                                     | -                                     |
|             | (2) Deferred tax                            |                   | -334,851                              | 167,766                               |
|             |   |                   | <b>663,390</b>                        | <b>1,503,041</b>                      |
| <b>VIII</b> | <b>Profit (loss) for the period (V- VI)</b> |                   | <b>2,208,597</b>                      | <b>2,507,608</b>                      |
| <b>IX</b>   | <b>Earnings per equity share:</b>           |                   |                                       |                                       |
|             | (1) Basic                                   |                   | 0.40                                  | 0.46                                  |
|             | (2) Diluted                                 |                   |                                       |                                       |

Significant Accounting Policies

1

The Notes referred to above form an integral part of the Profit and loss Statement

This is the Profit and loss statement as referred to in our Report of even date.

For and on behalf of

M/s. KALYANA & CO

Chartered Accountants

Firm Registration Number: 007095S

Sd/-

CA. A Srilakshmi

Partner

M.No:107945

Place: Hyderabad

Date: 30.05.2016

**For and on behalf of the Board of Directors**

Sd/-

Managing Director

Sd/-

Chief Financial Officer

Sd/-

Director

Sd/-

Company Secretary



**MAHAVEER INFOWAY LTD**  
**Consolidated Cash Flow Statement for the Year Ended 31.03.2016**

| <b>Particulars</b>   | <b>2015-16</b>   | <b>2014-15</b>     |
|--|------------------|--------------------|
| <b>Cash Flow From Operating Activity :</b>                         |                  |                    |
| Net Profit for Year carried to B/S                                 | 2,958,163        | 2,896,811          |
| <b>Adjustments for :</b>   |                  |                    |
| Provisions for tax   | -                | 1,038,812          |
| Deferred Tax Income  | (334,483)        | 167,766            |
| Depreciation   | 767,979          | 890,820            |
| Finanacial Charges   | 5,967,169        | 6,453,965          |
| Interest Received  | (272,601)        | (273,013)          |
| Dividend Received  | -                | -                  |
| Sundry Balances Written Off  | -                | 32,967             |
| Donations  | -                | 4,200              |
| Discount Received  | -                | (671)              |
| Provision for Expenses   | -                | 2,460,398          |
| <b>Cash Flow before Working Capital Changes</b>                    | <b>9,086,277</b> | <b>13,672,055</b>  |
| (Increase)/Decrease in Debtors                                     | 43,978,099       | 69,164,577         |
| (Increase)/Decrease in stock                                       | 693,669          | 31,837,096         |
| (Increase)/Decrease in Advances                                    | (9,870,798)      | 3,021,268          |
| (Increase)/Decrease in other Current Assets                        | 3,970,370        | (2,533,009)        |
| Increase/(Decrease) in Current Liabilities                         | (39,219,159)     | (93,647,159)       |
| <b>Cash Flow after Working Capital Changes</b>                     | <b>8,638,407</b> | <b>21,514,828</b>  |
| Less : Tax paid  | 1,655,207        | 122,332            |
| Net Cash Flow from Operating Activities before Extraordinary items |                  |                    |
| Less: Sundry Balance Written Off                                   | -                | -                  |
| Less: Donations  | -                | -                  |
| <b>Cash Flow after Extraordinary Items</b>                         | <b>6,983,200</b> | <b>21,392,496</b>  |
| <b>Cash Flow From Investing Activity :</b>                         |                  |                    |
| Sale/(Purchase) of Fixed Assets                                    | 2,435,972        | (8,696,943)        |
| Interest Received  | 272,601          | 273,013            |
| Dividend received  | -                | -                  |
| Sale/(Purchase) of Investment                                      | (2,784,931)      | 770,246            |
| Deposit with NSC   | -                | 15,000             |
| <b>Net Cash Flow from Investing Activities</b>                     | <b>(76,358)</b>  | <b>(7,638,684)</b> |
| <b>Cash Flow From Financing Activity :</b>                         |                  |                    |
| Financial Charges  | (5,967,169)      | (6,453,965)        |
| Secured Loan raised  | 2,445,428        | 10,870,006         |

| Particulars                                    | 2015-16            | 2014-15            |
|--|--------------------|--------------------|
| Unsecured Loans raised/(repaid)                | (1,620,268)        | (6,388,934)        |
| Repayment of Long Term Borrowings              | 1,847,104          | (9,878,142)        |
| Loans from Directors                           | -                  | 2,143,584          |
| Interest Paid                                  | -                  | -                  |
| Increase in Share Capital                      | -                  | -                  |
| <b>Net Cash Flow from Financing Activities</b> | <b>(3,294,905)</b> | <b>(9,707,451)</b> |
| Net Cash Flow from Operating Activities        | 6,983,200          | 21,392,496         |
| Net Cash Flow from Investing Activities        | (76,358)           | (7,638,684)        |
| Net Cash Flow from Financing Activities        | (3,294,905)        | (9,707,451)        |
|  | 3,611,938          | 4,046,361          |
| Add: Opening Cash and Cash Equivalents         | 9,299,638          | 5,253,277          |
| Closing Cash and Cash Equivalents              | 12,911,576         | 9,299,638          |

This is the Cash Flow Statement as referred to in our report of even date

For and on behalf of  
M/s. KALYANA & CO  
Chartered Accountants  
Firm Registration Number: 007095S  
Sd/-  
CA. A Srilakshmi  
Partner  
M.No:107945

**For and on behalf of the Board of Directors**

Sd/-  
Managing Director  
Sd/-  
Chief Financial Officer

Sd/-  
Director  
Sd/-  
Company Secretary

Place: Hyderabad  
Date: 30.05.2016

**MAHAVEER INFOWAY LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE**  
**FINANCIAL STATEMENTS**

**Corporate Information**

Mahaveer Infoway Ltd was incorporated on May 13, 1991 as a private limited company with the name Mahaveer Leafin and Holdings Pvt Ltd. The company was promoted by Ashok Kumar Jain, a Seasoned Business Professional with magnitude of experience in Banking, Finance and Business Management Operations.

In February 13, 1996, the company was converted into public limited company by listing the Bombay Stock Exchange and the name was changed to Mahaveer Leafin and Holdings Ltd.

In January 7, 2000, the company changed their name from Mahaveer Leafin and Holdings Ltd to Mahaveer Infoway Ltd and carrying the activities of mobile handset manufacturing and trading under the brand name and style 'ZINK' across the various parts of the country. In addition to this the company also does staffing and software development services.

**1. Significant Accounting Policies:**

**1.1 Basis of Accounting and Preparation of Consolidated Financial Statements**

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Consolidated financial statements include the results of the following entities in addition to the Mahaveer Infoway limited:

| S. No. | Name of the Entity                 | Nature of Relationship | Ownership |
|--------|------------------------------------|------------------------|-----------|
| 1      | Mahaveer Telecom Private Limited   | Subsidiary             | 60%       |
| 2      | Minfy Technologies Private Limited | Subsidiary             | 98%       |

**1.2 Use of Estimates**

The preparation of consolidated financial statements requires the Management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**1.3. Fixed Assets and Depreciation**

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized comprises material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage

Expenditure incurred during construction period directly attributable to the fixed assets is transferred to capital work in progress. The estimated Useful life of assets is based on past

experience of the company, which is different from the useful life as prescribed in Schedule-II to the companies Act, 2013.

#### **1.4 Revenue Recognition**

Revenue is primarily derived from sale of trading goods and software development and related Services. Income is recognized on accrual basis unless otherwise stated in these accounts.

##### **a) Revenue from Sale of Trading goods:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

##### **b) Revenue from software development services:**

- i. Revenue for services is recognized after completion of each stage of service.
- ii. Revenue from software development (on time or material basis) is recognized based on software developed and billed to the clients.

The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

#### **1.5 Foreign currency transactions**

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

#### **1.6 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.

#### **1.7 Inventories:**

Items of inventories are measured at lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

#### **1.8 Employee Benefits**

##### **a) Short Term Employee Benefits**

A short term employee benefit includes salaries and incentives.

## **b) Defined Contribution Plan**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

## **1.9. Borrowing Costs**

Borrowing Costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing Costs allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

## **1.10. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating basic and diluted earnings per share, the net profit/ (loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year will be adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## **1.11. 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.

## **1.12. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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 operating, investing and financing activities of the Company are segregated based on the available information

### 1.13.Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed in the Notes to the Financial Statements. A Contingent asset is neither recognized nor disclosed in the Financial Statements.

### 1.14 Earnings per Share (EPS)

| Particulars  | 2015-16   | 2014-15   |
|--|-----------|-----------|
| Net Profit/ (Loss) after taxes for the year (Rs.)  | 22,08,597 | 25,07,609 |
| Weighted average number of Equity Shares of Rs.10 each outstanding during the period(Used for calculation of Basic and Diluted Earnings Per Share) | 55,09,000 | 55,09,000 |
| Earnings per Share Basic and Diluted (Rs.)   | 0.40      | 0.46      |
| Nominal value per share (Rs.)  | 10        | 10        |

### 1.15. 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

### 1.16. Investments

The following are the investments held as at 31<sup>st</sup> March, 2016:

| S.No | Particulars                                    | Amount      |
|------|--|-------------|
| 1    | Mahaveer SkyScrappers Limited                  | 26,19,000   |
| 2    | Arihant Optics Ltd                             | 5,00,000    |
| 3    | Hygrowth Finance                               | 15000       |
| 4    | Minfy Impex                                    | 24,29,025   |
| 5    | Trimurthy Drugs & Pharma                       | 1,42,50,000 |
| 6    | CIL Securities                                 | 2970        |
| 7    | Tech Minfy Info Solutions LLP ( Capital)       | 50,000      |
| 8    | Lacis Tech Minfy Info Solutions LLP ( Capital) | 50,000      |

### 1.17.Fixed Assets

Capital Work-in-progress: current status for 2016

Company has incurred an expenditure on construction of building of Rs.1, 13, 82,420/- which is certified by the management of the company is shown as capital work-in-progress along with the opening Capital work-in-progress.

### 1.18.Segment Reporting

Consequent to the internal reorganization there were changes effected in the reportable industry segments based on the “management approach” as laid down in AS17.

Industry segments for the company are

1. Mobile-Handsets trading
2. Staffing/HR Related Services
3. IT Software Development
4. Bitumen Trading

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include expenses incurred for rendering services from the company's off shore software development centers which are categorized in relation to the associated turnover of the segment

### 1.19. 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.

| <b>Nature of Relationship</b>                                      | <b>Name of the Related Party</b>   |
|--|--|
| Key Management Personnel (KMP)                                     | Mr. Ashok Kumar Jain      Managing Director<br>Mr. Rajender Kumar Jain      Director<br>Mr. Vijay Jain      Director<br>Mr. Jitendra Bhansali      Director<br>Mr. Prasanna Dixit      Director<br>Mrs. Allola Neelima Reddy      Director<br>Mr. Vinit Maharia      Director<br>Mr. Budhi Prakash      Director<br>Mr. Harinarayan Vyas      Director |
| Enterprises where KMP have significant influence                   | Mahaveer Skyscrapers Ltd   |
| Firm in which Director/ Manager or his relative is a partner       | Mahaveer Industries  |
| Private company in which Director/ Manager is a Member or Director | LARR Resources Private Limited   |
| Any other Body Corporate   | Tech Minfy Info Solutions LLP<br>Lacis Tech Minfy Info Solutions LLP   |

- b) Summary of Transactions with the above related parties at the end of the respective financial year's are as follows (Amount in Rs.)

| Particulars   | 2016      | 2015      |
|---|-----------|-----------|
| Investment in Enterprises where KMP have significant influence      | 26,19,000 | 26,19,000 |
| Remuneration to KMP:  |           | 14,52,000 |
| To Managing Director & Others                                       | 13,80,000 |           |
| To KMP  | 7,94,000  |           |
| Rent Paid to relative of KMP  | 7,20,000  | 6,30,000  |
| Loans and advances taken from KMP (Interest free loans)             | 55,66,717 | 34,65,184 |
| Loans and advances given to KMP (Interest free loans)               | -         | -         |
| Loans and advances taken from relatives of KMP (Interest free loan) | -         | -         |
| Loans and advances given to relatives of KMP                        | -         | -         |
| Investment in Body Corporate  | 100,000   | 50,000    |
| Loan to Body Corporate  | 36,52,726 | 13,12,115 |

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.

#### 1.20. Taxation

Current tax is the amount of tax payable on taxable income for the period determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty that such assets will be realised in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

- 1.21 The Company has not having the suppliers who are registered as Micro, Small, Medium Enterprise as on March 31, 2016 in terms of the provisions of "The Micro, Small, and Medium Enterprises Development Act, 2006".

- 1.22. 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.

#### 1.23. Foreign Exchange Inflow (Amount in Lakhs)

| Particulars       | 2016  | 2015  |
|-------------------|-------|-------|
| Services rendered | 11.02 | 49.71 |
| Total             | 11.02 | 49.71 |

- 1.24. 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.

- 1.25. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.



# MAHAVEER INFOWAY LIMITED

## Notes to Consolidated Balance Sheet as at 31st March,2016

### 2. Share Capital

(Amount in Rs.)

| Particulars                                   | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| <b>Authorised Capital</b>                     |                     |                     |
| 60,00,000 Equity Shares of Rs. 10 each        | 60,000,000          | 60,000,000          |
| <b>Issued, Subscribed &amp; fully Paid up</b> |                     |                     |
| 55,09,000 Equity Shares of Rs. 10 each        | 55,090,000          | 55,090,000          |
| <b>Total</b>                                  | 55,090,000          | 55,090,000          |

### 3. Reserves and Surplus

| Particulars                                    | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| <b>a. Reserve Fund (Statutory)</b>             |                     |                     |
| Opening Balance                                | 479,748             | 479,748             |
| (+) Current Year Transfer                      | -                   | -                   |
| (-) Written Back in Current Year               | -                   | -                   |
| Closing Balance                                | 479,748             | 479,748             |
| <b>b. Surplus</b>                              |                     |                     |
| Opening balance                                | 16,239,038          | 13,545,542          |
| (+) Net Profit/(Net Loss) For the current year | 2,208,597           | 2,693,496           |
| (-) Dividends Paid                             | -                   | -                   |
| (-) Dividend Tax and Surcharge thereon         | -                   | -                   |
| Closing Balance                                | 18,447,635          | 16,239,038          |
| <b>Total</b>                                   | 18,927,383          | 16,718,786          |

### 4. Long term borrowings

| Particulars             | As at 31 March 2016 | As at 31 March 2015 |
|-------------------------|---------------------|---------------------|
| Unsecured Loan - others | 874,671             | 2,087,479           |
| <b>Total</b>            | 874,671             | 2,087,479           |

### 5. Consolidated Statement of Deferred Tax Liability

Note 5

| Particulars   | 31-Mar-16  |           |            |
|---|------------|-----------|------------|
|   | Book Value | Tax Value | Difference |
| Fixed Assets  | 3,080,496  | 3,235,083 | (154,587)  |
| Total of Fixed Assets (Deferred Liability)                    | 3,080,496  | 3,235,083 | (154,587)  |
| Total Deferred Assets   | -          | -         | -          |
| Total timing difference                                       | 3,080,496  | 3,235,083 | (154,587)  |
| Deferred Tax (Liability) Asset (@33.2175%)<br>As at 31.03.16  |            |           | (47,767)   |
| <b>Deferred Tax (Liability) asset provided up to 31.03.15</b> |            |           | (382,618)  |
| Balance to be credited to P & L A/C                           |            |           | 334,581    |

## 6 Short term borrowings

| Particulars                | As at 31 March 2016 | As at 31 March 2015 |
|----------------------------|---------------------|---------------------|
| Cash Credit from Axis Bank | 52,201,648          | 52,456,077          |
| Loans from Directors       | 5,566,717           | 4,215,184           |
| Others                     | 6,468,530           | 3,273,102           |
| Total                      | 64,236,895          | 59,944,363          |

## 7. Trade Payables

| Particulars                                    | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| Dues to Micro and Small Enterprises            |                     |                     |
| Dues to other than Micro and Small Enterprises |                     |                     |
| (a) Trade Payables (including LC Payments)     | 6,259,267           | 39,957,129          |
| Total  | 6,259,267           | 39,957,129          |

## 8. Other current liabilities

| Particulars               | As at 31 March 2016 | As at 31 March 2015 |
|---------------------------|---------------------|---------------------|
| Other current Liabilities | 2,701,256           | 2,560,997           |
| Total                     | 2,701,256           | 2,560,997           |

## 9. Short term provisions

| Particulars                          | As at 31 March 2016 | As at 31 March 2015 |
|--------------------------------------|---------------------|---------------------|
| Provision for taxation               | 998,240             | 1,149,188           |
| Dividend on Equity Shares            | -                   | -                   |
| Provision for Corporate Dividend Tax | -                   | -                   |
| Other provisions                     | 3,409,112           | 9,160,763           |
| Total                                | 4,407,352           | 10,309,951          |

## 10. Consolidated Depreciation Schedule as per Companies Act, 2013

Note 10

| S. No. | Particulars          | GROSS BLOCK     |           |           |                | DEPRECIATION    |                  |                |                | NETBLOCK       |                |
|--------|----------------------|-----------------|-----------|-----------|----------------|-----------------|------------------|----------------|----------------|----------------|----------------|
|        |                      | As on 1.04.2015 | Additions | Deletions | As on 31.03.16 | As on 1.04.2015 | For Current year | Dep Adjustment | As on 31.03.16 | As on 31.03.16 | As on 31.03.15 |
| 1      | Land & Building      | 1,281,180       | -         | -         | 1,281,180      | -               | -                | -              | -              | 1,281,180      | 1,281,180      |
| 2      | Plant & Machinery    | 729,539         | -         | -         | 729,539        | 397,787         | 60,047           | -              | 457,834        | 271,705        | 331,752        |
| 3      | Computers            | 3,284,798       | -         | -         | 3,284,798      | 3,097,515       | 118,288          | -              | 3,215,803      | 68,995         | 187,283        |
| 4      | Office Equipment     | 291,054         | 372,508   | -         | 663,562        | 60,743          | 155,058          | -              | 215,801        | 447,761        | 230,311        |
| 5      | Furniture & Fixtures | 2,353,644       | 16,200    | 62,485    | 2,307,359      | 1,802,131       | 129,814          | -              | 1,931,945      | 375,414        | 489,028        |
| 6      | Vehicles             | 4,057,989       | -         | 1,277,958 | 2,780,031      | 1,813,971       | 301,701          | -              | 2,115,672      | 664,359        | 966,060        |
|        |                      | 11,998,204      | 388,708   | 1,340,443 | 11,046,469     | 7,172,147       | 764,908          | -              | 7,937,055      | 3,109,414      | 3,485,614      |
| 7      | WIP                  | 14,210,170      | 2,672,250 | 5,500,000 | 11,382,420     | -               | -                | -              | -              | 11,382,420     | 14,210,170     |

**11. Non-current investments**

| Particulars                          | As at 31 March 2016 | As at 31 March 2015 |
|--------------------------------------|---------------------|---------------------|
| Mahaveer Skyscraper Limited (Equity) | 2,619,000           | 2,619,000           |
| Arihant Optics Ltd                   | 500,000             | 500,000             |
| Hygrowth Finance                     | 15,000              | 15,000              |
| Minfy Impex                          | 2,429,025           | -                   |
| Tech Minfy Info Solutions LLP        | 50,000              | (255,906)           |
| Lacis Tech Minfy Info Solutions LLP  | 50,000              | -                   |
| Trimurthy Drugs & pharma             | 14,250,000          | 14,250,000          |
| CIL Securities                       | 2,970               | 2,970               |
| Total                                | <b>19,915,995</b>   | <b>17,131,064</b>   |

**12. Other Non-Current Assets**

| Particulars            | As at 31 March 2016 | As at 31 March 2015 |
|------------------------|---------------------|---------------------|
| Pre-operative Expenses | 32,525              | 32,525              |
| Deposits               | 15,000              | 15,000              |
| Total                  | <b>47,525</b>       | <b>47,525</b>       |

**13. Long term loans & Advances**

| Particulars                      | As at 31 March 2016 | As at 31 March 2015 |
|----------------------------------|---------------------|---------------------|
| Unsecured - Mahaveer Infoway Ltd | -                   | -                   |
| Total                            | -                   | -                   |

**14. Inventories**

| Particulars   | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| (As certified by the management, at cost or net realizable value whichever is less) |                     |                     |
| Closing Stock   | 28,686,980          | 29,380,648          |
| Total   | <b>28,686,980</b>   | <b>29,380,648</b>   |

**15. Trade Receivables**

| Particulars  | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| Outstanding for a period less than six months from the date they are due for payment |                     |                     |
| Unsecured, considered good   | 39,533,483          | 83,511,581          |
| Total  | <b>39,533,483</b>   | <b>83,511,581</b>   |

**16. Cash and bank balances**

| <b>Particulars</b>        | <b>As at 31 March 2016</b> | <b>As at 31 March 2015</b> |
|---------------------------|----------------------------|----------------------------|
| Cash and cash equivalents |                            |                            |
| Cash on hand              | 3,215,800                  | 6,638,122                  |
| Bank balances             |                            |                            |
| In current accounts       | 1,625,571                  | 756,252                    |
| Bank OD                   | 8,070,205                  | 1,905,264                  |
| <b>Total</b>              | <b>12,911,576</b>          | <b>9,299,638</b>           |

**17. Short term loans and advances**

| <b>Particulars</b>   | <b>As at 31 March 2016</b> | <b>As at 31 March 2015</b> |
|--|----------------------------|----------------------------|
| Unsecured Considered good  |                            |                            |
| Advances recoverable in cash or kind or for value to be received | 21,171,326                 | 8,653,817                  |
| Other Loan advances  | 407,460                    | -                          |
| Advance income tax and TDS                                       | 3,006,145                  | 2,521,210                  |
| Tech Minfy InfoSolutions LLP                                     | 27,57,726                  | 1,312,115                  |
| Lacis Tech Minfy InfoSolutions LLP                               | 8,95,000                   | -                          |
| MTPL   | 2,262,949                  | 8,522,617                  |
| <b>Total</b>   | <b>30,500,606</b>          | <b>21,009,759</b>          |

**18. Other current assets**

| <b>Particulars</b>         | <b>As at 31 March 2016</b> | <b>As at 31 March 2015</b> |
|----------------------------|----------------------------|----------------------------|
| Unsecured Considered good: |                            |                            |
| Deposits                   | 1858702                    | 4782767                    |
| Other Current Assets       | 4,799,894                  | 4,394,556                  |
| <b>Total</b>               | <b>6,658,596</b>           | <b>9,177,323</b>           |

**19. Other Income**

| <b>Particulars</b>                  | <b>For the year ended<br/>31 March 2016</b> | <b>For the year ended<br/>31 March 2015</b> |
|-------------------------------------|---|---|
| Interest Income                     | 272,601.00                                  | 273,013                                     |
| Other Income                        | 38,310,081.00                               | 624,086                                     |
| Videocon Income                     | -   | 35,305,699                                  |
| Activation Charges                  | -   | -   |
| Staffing Income                     | 354,048.00                                  | 10,118,947                                  |
| Discount received                   | 6,320,681.00                                | 8,181,763                                   |
| Dividend Income                     | -   | -   |
| Miscellaneous Income                | 43,361.00                                   | 5,411,675                                   |
| Education Division Income           | -   | 62,050                                      |
| Target achievement incentive scheme | -   | 2,060,129                                   |
| Export Service Income               | 1,101,605.00                                | 2,859,084                                   |
| Special discount / Scheme           | -   | 657,326                                     |
| Web Development Income              | 452,589                                     | 1,193,810                                   |
| <b>Total</b>                        | <b>46,854,966</b>                           | <b>66,747,582</b>                           |

**20. Operating Expenditure**

| <b>Particulars</b>         | <b>For the year ended<br/>31 March 2016</b> | <b>For the year ended<br/>31 March 2015</b> |
|----------------------------|---|---|
| Advertisement Expenses     | -   | 47,800                                      |
| Electricity Charges        | 422,187                                     | 493,828                                     |
| Communication Expenses     | 474,990                                     | 493,623                                     |
| Travelling and Conveyance  | 426,602                                     | 938,361                                     |
| Other Expenses             | 4,196,936                                   | 6,202,148                                   |
| Postage & Courier Expenses | 79,898                                      | 245,525                                     |
| Rent                       | 1,198,037                                   | 1,594,945                                   |
| Staff Welfare Expenses     | 1,376,999                                   | 354,610                                     |
| Salaries and Bonus         | 33,467,732                                  | 35,761,489                                  |
| Reparis and Maintanance    | -   | 334,102                                     |
| Office Maintanance         | -   | 868,679                                     |
| Exchange gain/loss         | 262,072                                     | -   |
| Costing Expenses           | 303,812                                     | 1,115,428                                   |
| Insurance                  | 10,162                                      | -   |
| Discount Allowed           | 495,085                                     | -   |
| <b>Total</b>               | <b>42,714,512</b>                           | <b>48,450,538</b>                           |

**21. Administrative and Other Expenses**

| <b>Particulars</b>                                | <b>For the year ended<br/>31 March 2016</b> | <b>For the year ended<br/>31 March 2015</b> |
|---|---|---|
| Rates and Taxes                                   | 3,599,421                                   | 2,469,729                                   |
| Legal and Consultancy Charges                     | 3,033,070                                   | 1,348,403                                   |
| Insurance   | 80,742                                      | 185,830                                     |
| Payment to Auditors                               | 281,017                                     |   |
| DTH & other related Exp.<br>(Videocon & Reliance) | 30,623,692                                  | 34,427,647                                  |
| Printing & Stationary                             | 108,320                                     | 122,339                                     |
| Bank Charges                                      | 202,255                                     | 747,165                                     |
| Commission paid                                   | -   | 440,598                                     |
| General Expenses                                  | 76,454                                      | 30,506                                      |
| Annual Charges                                    | 110,778                                     | 62,572                                      |
| Filing & Listing Fees                             | 253,715                                     | 648,163                                     |
| Business Promotions                               | 962,405                                     | 365,955                                     |
| Staffing Expenses                                 | 1,120,241                                   | 619,018                                     |
| Other Expenses                                    | 2,184,538                                   | 636,851                                     |
| Miscellaneous Expenses                            | 58,676                                      | 366,574                                     |
| Professional Tax                                  | -   | 10,600                                      |
| <b>Total</b>                                      | <b>42,695,324</b>                           | <b>42,481,950</b>                           |

**22. Interest & Finance Charges**

| <b>Particulars</b>         | <b>For the year ended<br/>31 March 2016</b> | <b>For the year ended<br/>31 March 2015</b> |
|----------------------------|---|---|
| Interest & Finance Charges | 5,967,169                                   | 6,453,965                                   |
| <b>Total</b>               | <b>5,967,169</b>                            | <b>6,453,965</b>                            |

For and on behalf of  
M/s. KALYANA & CO  
Chartered Accountants  
Firm Registration Number: 007095S  
Sd/-  
CA A Srilakshmi  
Partner  
M.No:107945

Place: Hyderabad  
Date: 30.05.2016

**For and on behalf of the Board of Directors**

|                         |                   |
|-------------------------|-------------------|
| Sd/-                    | Sd/-              |
| Managing Director       | Director          |
| Sd/-                    | Sd/-              |
| Chief Financial Officer | Company Secretary |

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L65910TG1991PLC012704

Name of the company: Mahaveer Infoway Limited

Registered office: 7-1-24/2/C, 301/A, Dhansi Surabhi Complex,  
Greenlands, Ameerpet, Hyderabad - 500016. Telangana

Name of the member(s) :

Registered Address :

E-mail Id :

Folio No./Client Id :

DP ID :

I / We, being the Member(s) of \_\_\_\_\_ share of Mahaveer Infoway Limited, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25th Annual General Meeting of the Company**, to be held on **Friday, the 30th day of September, 2016 at 11.00 A.M. at Registered Office of the Company at 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad Telangana-500016 India** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. Approval of Financial Statements (Standalone and Consolidated) for the Year Ended 31st March, 2016.
2. Appointment of Mr. Ramesh Prasanna Dixit as Director who retires by rotation.
3. Appointment of Statutory Auditors and Fixation of Their Remuneration.

Signed this ..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## MAHAVEER INFOWAY LIMITED

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

### ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the **25th Annual General Meeting** of the members of the company to be held on **Friday, the 30th day of September, 2016 at 11.00 A.M. at Registered Office of the Company at 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad Telangana-500016 India** and at any adjourned meeting thereof.

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

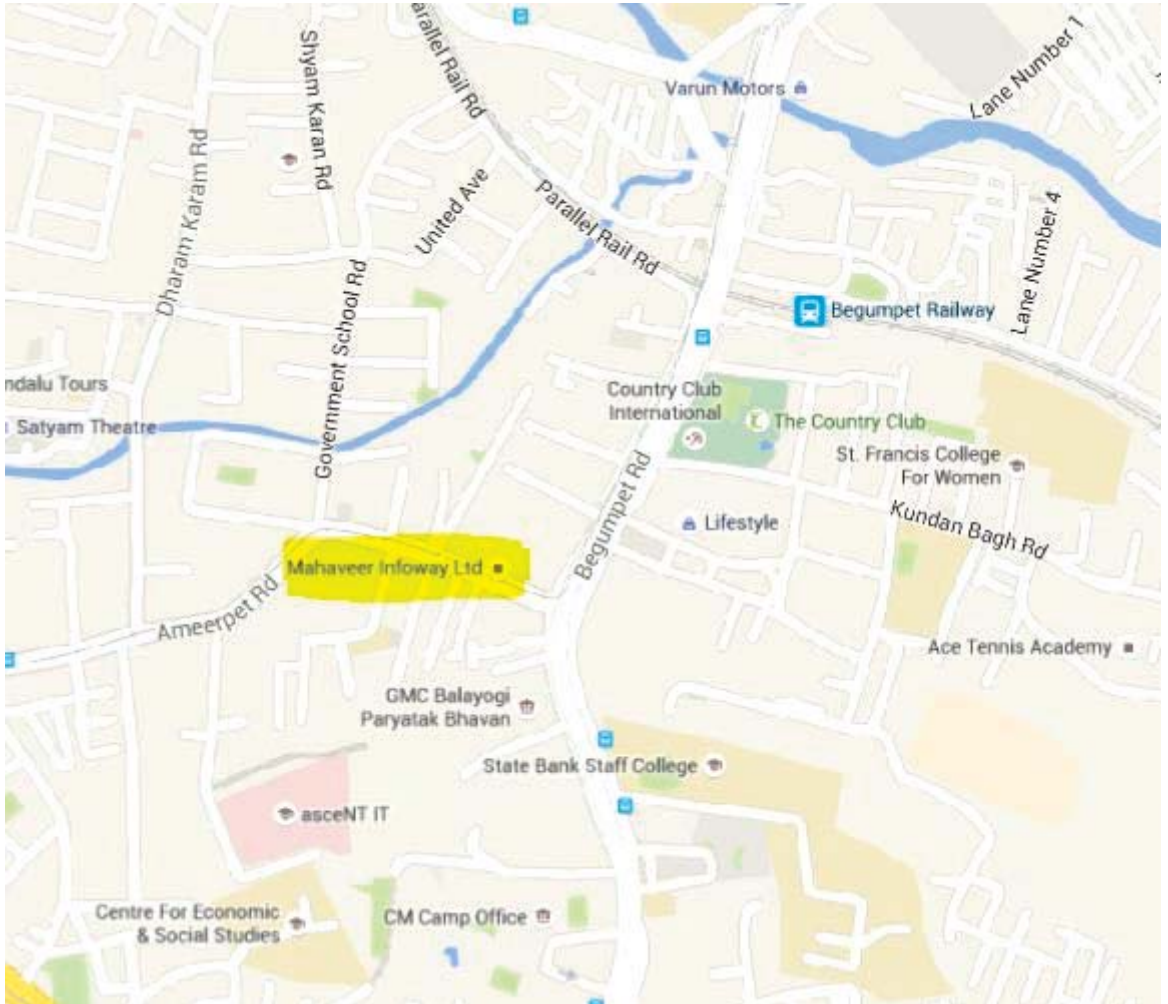
Shareholders/Proxy's full name \_\_\_\_\_ (In block letters)

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.

## "ROUTEMAP OF PLACE OF MEETING"



**Mahaveer**  
Infoway Ltd

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



Subsidiaries :

**M/s. MAHAVEER TELECOM PRIVATE LIMITED**

**M/s. MINFY TECHNOLOGIES PRIVATE LIMITED**

(Formerly known as Mahaveer Projects Private Limited)

[www.minfy.com](http://www.minfy.com)

Head Office:

**MAHAVEER INFOWAY LIMITED**

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

Branch :

**1st Floor, Old Incometax Building,  
Vidya Nagar, Hubli - 580032 Karnataka**