



# MAHAVEER INFOWAY LIMITED



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**24<sup>th</sup> ANNUAL REPORT**  
2014 - 2015



**Mahaveer**  
Infoway Ltd

**24<sup>th</sup> ANNUAL REPORT  
2014-2015**

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

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

**COMPLIANCE OFFICER & COMPANY SECRETARY:** Ms. Neha Kalpande

**CHIEF FINANCIAL OFFICE** : Mr. Ravi Kumar Joshi

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

**CORPORATE OFFICE** : 1<sup>st</sup> Floor, Old Income-Tax Building, Vidyanagar,  
Hubli - 580021, India.

**CORPORATE IDENTITY NUMBER** : L65910TG1991PLC012704

**STATUTORY AUDITORS** : **M/s. KALYANA & CO.**  
Chartered Accountants  
3-6-520, Flat No. 204, 2nd Floor, Ashoka Scintilla,  
Opp. KFC, Himayat Nagar, Hyderabad- 500029.

**INTERNAL AUDITORS** : **M/s. ONKARI & ASSOCIATES**  
Chartered Accountants  
44 II Floor, Eureka Centre, Koppikar Road, Hubli,  
Karnataka- 580020

**SECRETARIAL AUDITORS** : **M/s. S. S. REDDY & ASSOCIATES**  
Practicing Company Secretaries  
Plot No.6-3-354/13, A1, Suryateja Apartments,  
Hindi Nagar, Panjagutta, Hyderabad-500034

**BANKERS** : **Axis Bank Limited**  
**Mahaveer Co-Operative Urban Bank Limited**

**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

**INDEPENDENT DIRECTORS COMMITTEE:**

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

**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:** Ahmedabad Stock Exchange Limited & Indonext Agreement with Bombay Stock Exchange Limited.

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

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

**INVESTOR E-MAIL ID** : [cs@minfy.com](mailto:cs@minfy.com)

## NOTICE

**Notice** is hereby given that the **24<sup>th</sup> Annual General Meeting** of the Shareholders of **M/s Mahaveer Infoway Limited** will be held on **Wednesday, the 30<sup>th</sup> day of September, 2015 at 11.00 A.M.** at Registered Office of the Company (*Route Map is available on Page No.92*) 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 Receive, Consider and Adopt the Standalone and Consolidated Audited Balance Sheet as at March 31<sup>st</sup>, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Annexure and Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To Appoint a Director in place of **Mr. Vijay Jain (DIN: 02321195)** who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint **M/s Kalyana & Co.**, Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General of the Company at remuneration as may be fixed by the Board of Directors.

### **SPECIAL BUSINESS:**

#### **4. APPOINTMENT OF MR. HARINARAYAN VYAS AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Harinarayan Vyas (holding DIN 07120883), who was appointed ‘Additional Director’ in the Board of the Company on 31.03.2015 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Harinarayan Vyas as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to 30<sup>th</sup> March, 2020.”

#### **5. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to provisions of Section 5 read with section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the new draft Articles as contained in the Articles of Association submitted be and

are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors of  
Mahaveer Infoway Limited

Sd/-

Neha Kalpande  
Company Secretary

Place: Hyderabad

Date: 14/08/2015

## 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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2015 to 30.09.2015 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.)
10. 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.



11. 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.
12. 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.
13. 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.
14. 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.
15. Electronic copy of the Annual Report for 2014-2015 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 2014-2015 is being sent in the permitted mode.
16. Members may also note that the Notice of the 24<sup>th</sup> Annual General Meeting and the Annual Report for 2014-2015 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).
17. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by **M/s Central Depository Services (India) Limited**.

The instructions for e-voting are as under:

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

- 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:

PAN*	<p>For Members holding shares in Demat Form and Physical Form</p> <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#	<p>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.</p>
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.
  - 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:**

- i. Please follow all steps from sl. no. (i) to sl. no. (xvi) 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 27.09.2015 at 9.00 A.M. and ends on 29.09.2015 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 25.09.2015, 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 (record date) of 25.09.2015 for e-voting purpose.
- C. Mr. Sarveswar Reddy, Practicing Company Secretary, C.P. No. 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.
- D. 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.

- E. 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.
- F. 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 25.09.2015 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- G. 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.
- H. 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.
- I. 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.
- J. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
- K. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
- L. 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

Place: Hyderabad  
Date: 14/08/2015

## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

### ITEM NO. 4

Mr. Harinarayan Vyas was appointed as Additional Director on 31.03.2015, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Mr. Harinarayan Vyas for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Harinarayan Vyas as 'Independent Director' for a term up to 30.03.2020, and pass the resolution set out at Item No. 4. The appointment of Mr. Harinarayan Vyas is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mr. Harinarayan Vyas has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that her continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board Mr. Harinarayan Vyas fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and he is independent of the Management.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. Harinarayan Vyas is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

### ITEM NO. 5:

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the Companies Act, 2013. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules thereunder.

Salient aspects of the proposed amended Articles:

Under the proposed amended Articles, salient aspects of sections of Table-F of Schedule I to the Companies Act, 2013 which sets out the model articles of association for a Company limited by shares have been adopted. As mentioned in the previous para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules thereunder coming into force have been duly carried out. A copy of the amended proposed Articles is enclosed to this Notice for consideration/ approval of the Members.

The resolution as set out in item no. 5 has been recommended by the Board of Directors for approval of the Members by special resolution.

The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday during the Office Hours of the Company from the date here upto 30<sup>th</sup> October, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 5 of the Notice.

By Order of the Board of Directors of  
Mahaveer Infoway Limited

Sd/-

Neha Kalpande  
Company Secretary

Place: Hyderabad  
Date: 14/08/2015

## BOARD'S REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting before you the **24<sup>th</sup> (Twenty Fourth) Annual Report** of the Company together with the Audited Statements of Accounts for the **year ended 31<sup>st</sup> March, 2015**.

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

The performance during the period ended 31<sup>st</sup> March, 2015 has been as under:

(In Rupees)

PARTICULAR	2014-2015	2013-2014
Total Income	622,661,113.00	779,797,477.00
Total Expenditure	619,865,745.00	776,903,471.00
Profit Before Tax	2,795,368.00	2,894,006.00
Provision for Tax	1,113,839.00	978,867.00
Profit after Tax	1,681,530.00	1,915,138.00
Profit Brought From Previous Year	12,428,781.00	10,513,644.00
Profit available for appropriation	<b>14,110,311.00</b>	<b>12,428,782.00</b>
Provision for Proposed Dividend	—	—
Provision for Corporate Tax	—	—
<b>Balance Carried to Balance Sheet</b>	<b>14,110,311.00</b>	<b>12,428,782.00</b>

During the year under review, the Gross Revenue of the Company decreased to **Rs. 2,795,368/- compared to Rs. 2,894,006/-** in the previous year. The Profit after tax for the year decreased to **Rs. 1,681,530/- compared to Rs. 1,915,138/-** in the previous year.

### 2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March and the date presenting of Board's Report. (i.e. 14/08/2015)

### 3. 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.

### 4. DIVIDEND:

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

### 5. BOARD MEETINGS:

The Board of Directors duly met **6 (six) times** on 30/05/2014, 08/08/2014, 10/11/2014, 02/12/2014, 12/02/2015 and 31/03/2015 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.

## 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year 2014-15, **Ms. A Neelima Reddy** was confirmed as Director in Independent Capacity in Last Annual General Meeting Held on 30/09/2014.

During the year, **Mr. Harinarayan Vyas** was appointed as Additional Director on 31<sup>st</sup> March, 2015. Now the Board proposes to appoint as Independent Director.

Details of Re-Appointment /Appointment of the Director:

Name of the Director	Mr. Harinarayan Vyas
Date of Birth	27/11/1961
Date of Appointment	31/03/2015
Qualifications	Graduate
No. of Shares held in the Company	2700
Directorships held in other companies (excluding private limited and foreign companies)	NIL
Positions held in mandatory committees of other companies	NIL

**Mr. Vijay Jain** (Executive Director) retire by rotation and, being eligible, offer himself for re-appointment. The Board recommend the re-appointment for approval of the Members.

## 7. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

The Terms and Conditions of Appointment of the Independent Directors are subject to the extant provisions of the following:

- i. Applicable laws, Including the Companies Act, 2013 ('2013 Act'); and
- ii. Clause 49 of the Listing Agreement (as amended from time to time); and
- iii. Articles of Association of the Company.

### a) Appointment:-

- The appointment will be for the period mentioned in their appointment letter ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.
- As Independent Directors, they will not be liable to retire by rotation.
- Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.
- The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

### b) Role, Duties and Responsibilities:-

- As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- a. Requirements under the Companies Act, 2013;
  - b. "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement, Accountability under the Director's Responsibility Statement.
- They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement.
  - They are particularly requested to provide guidance in their area of expertise.
- c) Time Commitment:-**
- They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.
- d) Remuneration:-**
- As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.
  - In addition to the Sitting Fees, Commission that may be determined by the Board may also be payable to them. In determining the amount of this Commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.
  - Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.
- e) Code of Conduct:-**
- As Independent Directors of the Company, they agree to comply with the Code of Conduct for Non-Executive Directors (NEDs).
  - Unless specifically authorised by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.
  - Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.
  - The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.
  - Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.



- All Directors are required to sign a confirmation of acceptance of the Code of Conduct for NEDs as adopted by the Board on annual basis.

**f) Training and Development:-**

- The Company may, if required, conduct formal training program for its Independent Directors.
- The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

**g) Performance Appraisal / Evaluation Process:-**

- As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually.
- Evaluation of each director shall be done by all the other directors.
- The criteria for evaluation shall be disclosed in the Company's Annual Report.
- However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/ Committee.

**h) Disclosures, Other Directorships and Business Interests:-**

- During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.
- During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

**i) Changes of Personal Details:-**

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**j) Disengagement:-**

- They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.
- Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon Violation of any provision of the Code of Conduct as applicable to NEDs, Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

## **REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### **DEFINITIONS:**

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Key Managerial Personnel**” means:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

### **OBJECTIVE:**

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.

- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **APPOINTMENT AND REMOVAL:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### **TERM /TENURE:**

##### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

##### **c) EVALUATION:**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

**d) REMOVAL:**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**e) RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION:**

**1) Remuneration to Managing Director / Whole-time Directors:**

- The Remuneration/ Commission etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2) Remuneration to Non- Executive / Independent Directors:**

- The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- The remuneration to Key Managerial Personnel and Senior Management shall consist of

fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

#### **IMPLEMENTATION:**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

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

The Company has received a declaration from Mr. Budhi Prakash Toshniwal, Mr. Vinit Maharia, Mr. Harinarayan Vyas and Ms. A Neelima Reddy, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013. (Annexure 2)

#### **9. COMPOSITION OF COMMITTEES:**

##### **I. AUDIT COMMITTEE:**

- a) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.
- b) The terms of reference of the Audit Committee include a review of the following:
  - § 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:
    - i. Any changes in accounting policies and practices;
    - ii. Qualification in draft audit report;
    - iii. Significant adjustments arising out of audit;
    - iv. The going concern concept;

- v. Compliance with accounting standards;
- vi. Compliance with stock exchange and legal requirements concerning financial statements and
- vii. Any related party transactions

§ Reviewing the company's financial and risk management's policies.

§ 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.

**c)** The previous Annual General Meeting of the Company was held on 30/09/2014 and Chairman of the Audit Committee, attended previous AGM.

**d)** The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2014-2015, (5) Five meetings of the Audit Committee were held on the 30.05.2014, 08.08.2014, 10.11.2014, 02.12.2014 and 12.02.2015.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Budhi Prakash Toshniwal	Chairmen	NED (I)	5	5
Mr. Vinit Maharia	Member	NED (I)	5	5
Ms. A Neelima Reddy	Member	NED (I)	5	5
Mr. Harinarayan Vyas	Member	NED (I)	Appt. w.e.f. from 31.03.2015	

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

## II. NOMINATION & REMUNERATION COMMITTEE:

The Details of Composition of the Committee are given below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vinit Maharia	Chairmen	NED (I)	4	4
Mr. Budhi Prakash Toshniwal	Member	NED (I)	4	4
Ms. A Neelima Reddy	Member	NED (I)	4	4
Mr. Harinarayan Vyas	Member	NED (I)	Appt. w.e.f. from 31.03.2015	

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

### Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

§ To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

§ To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

### 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 shouldered, individual performance etc.

The Amount of remuneration including Sitting Fees paid to the Executive and Non-Executive Directors for the financial year 2014-2015 is **Rs. 14,52,000/-**.

None of the Director is drawing any Commission, Perquisites, Retirement benefits etc.

## III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### A. Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Ms. A Neelima Reddy	Chairperson	NED (I)	4	4
Mr. Budhi Prakash Toshniwal	Member	NED (I)	4	4
Mr. Vinit Maharia	Member	NED (I)	4	4
Mr. Harinarayan Vyas	Member	NED (I)	Appt. w.e.f. from 31.03.2015	

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

### B. Powers:

The Committee has been delegated with the following powers:

1. To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
2. To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s).
3. Consolidate and sub-division of share certificates etc.
4. To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.
5. The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.
6. The Company has designated an exclusive e-mail ID called **cs@minfy.com** for redressal of shareholders' complaints/grievances.

**10. DIRECTOR'S RESPONSIBILITY STATEMENT:-**

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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.

**11. 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.



## **12. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. S. S. Reddy & Associates, Practicing Company Secretaries is annexed to this Report as annexure.

## **13. AUDIT REPORTS:**

### **(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2015 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 and growth in the market expected in view of the robust capital market in the coming years.

### **(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report of the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

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

The required information as per Sec. 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)**

Foreign Exchange Earnings : 28.59

Foreign Exchange Outgo : NIL

## **15. VIGIL MECHANISM:**

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

## **16. STATUTORY COMPLIANCE:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

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

M/s. Minfy Technologies Private Limited (Formerly known as 'Mahaveer Projects Private Limited') and M/s. Mahaveer Telecom Private Limited are the subsidiaries of the company.

## **18. 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. **(FORMAT IN ANNEXURE 1)**

## **19. 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.

## **20. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

## **21. 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.

## **22. INSURANCE:**

The properties and assets of your Company are adequately insured.

## **23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

### **Loans:-**

During the Year, The Company has given Short Term Loan to its Subsidiaries, Mahaveer Telecom Private Limited of Rs. 5249514/- and Minfy Technologies Private Limited of Rs. 3273102/-.

### **Investment:-**

During the Year, Your Company has invested in the Contribution of Techminfy Info Solutions LLP of Rs. 50,000/-.

### **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.

## **24. RISK MANAGEMENT POLICY:**

Your Company follows a comprehensive system of Risk Management. Your Company has

adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

**25. 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.

**26. RELATED PARTY TRANSACTIONS:**

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 Note 1.19 to the financial statement which sets out related party disclosures. (Annexure 3)

**27. 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, the independent directors of the company had a meeting on **31<sup>st</sup> March, 2015** 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.
- (d) The meeting also reviewed and evaluated the performance of Non-Independent directors. The company has 5 (Five) Non-Independent Directors namely:
  - 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

The meeting recognized the significant contribution made by Non- Independent Directors in the shaping up of the company and putting the company on accelerated growth path. They devoted more time and attention to bring up the company to the present level.

**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.

the company has performed exceptionally well by regular attendance of Directors in meetings and by taking active participation in the discussion of the agenda and by providing required guidance from time to time to the company for its growth etc.

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.

**28. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to Ahmedabad Stock Exchange where the Company's Shares are listed and Bombay Stock Exchange where company has Indonext Trading Agreement.

**29. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

**30. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

**31. 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.

**32. SECRETARIAL STANDARDS**

**EVENT BASED DISCLOSURES**

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA

5. Buy back shares: NA  
6. Disclosure about revision: NA  
7. Preferential Allotment of Shares: NA

**33. 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. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

**34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

**35. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company like SEBI, BSE, NSE, MCX, NSDL, CDSL, Canara Bank, HDFC Bank etc. for their continued support for the growth of the Company.

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

Place: Hyderabad  
Date: 14/08/2015

Sd/-  
Ashok Kumar Jain  
Managing Director

Sd/-  
Rajender Kumar Jain  
Director

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

To,  
The Shareholders

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

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

Sd/-

Ashok Kumar Jain  
Managing Director

Place: Hyderabad  
Date: 14/08/2015

## **ANNEXURE INDEX**

1. Annual Return Extracts in MGT 9
2. Format of Declaration by Independent Director
3. AOC 2 – Related Party Transactions disclosure
4. Ratio of Remuneration
5. MR-3 – Secretarial Auditors Issued By Practising Company Secretary

## ANNEXURE 1

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2015

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

### 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	89.18
2	Information Technologies	998314	02.54

### 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	98%	2 (87)
2.	Mahaveer Telecom	U64100TG2010PTC071861	SUBSIDIARY	60%	2 (87)



**I. 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-2014)				No. of Shares held at the end of the year(As on 31-March-2015)				% 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	2176828	177500	2354328	42.74	2354328	0	2354328	42.74	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Subtotal(A)(1):</b>	<b>2176828</b>	<b>177500</b>	<b>2354328</b>	<b>42.74</b>	<b>2354328</b>	<b>0</b>	<b>2354328</b>	<b>42.74</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
<b>Subtotal(A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian									
(ii) Overseas	234467	0	234467	4.26	84647	0	84647	1.54	2.72
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	658149	175501	833650	15.13	660199	174501	834700	15.15	0.02
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1797206	94100	1891306	34.33	2049296	94100	2143396	38.91	4.58
<b>c) Others(Specify)</b>	195249	0	195249	3.55	91929	0	91929	1.67	1.88
<b>Subtotal(B)(2)</b>	<b>2885071</b>	<b>269601</b>	<b>3154672</b>	<b>57.27</b>	<b>2886071</b>	<b>268601</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	2886071	268601	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>5061899</b>	<b>447101</b>	<b>5509000</b>	<b>100</b>	<b>5240399</b>	<b>268601</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.	Vishal Jain	89600	1.63	0	-	-	-	1.63
5.	Mahaveer Chand Jain	184700	3.35	0	184700	3.35	0	0
6.	Basanta Bai Jain	10000	0.18	0	10000	0.18	0	0
7.	Nirmal Kothari	165010	3.00	1.82	165010	3.00	1.82	0
8.	Kamal Kumar Kothari	191000	3.47	1.91	191000	3.47	1.91	0
9.	Sushila Bai Kothari	10100	0.18	0	10100	0.18	0	0
10.	Vishal Jain	18000	0.33	0	107600	1.95	0	1.63
11.	Badam Bai Kothari	231700	4.21	0	231700	4.21	0	0
12.	Vivek Jain	110700	2.01	0	110700	2.01	0	0
13.	Anitha Kothari	40000	0.73	0	40000	0.73	0	0
14.	Leela Devi Kothari	35100	0.64	0	35100	0.64	0	0
15.	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>1.63</b>

<b>i. Change in Promoters' Shareholding (please specify, if there is no change)</b>					
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	<b>NO CHANGE</b>		<b>NO CHANGE</b>	
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):	<b>NO CHANGE</b>		<b>NO CHANGE</b>	
3	At the End of the year	<b>NO CHANGE</b>		<b>NO CHANGE</b>	

### **INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	436,73,550/-	106,49,998/-	0.000.00	543,23,548/-
ii) Interest due but not paid	0.000.00	0.000.00	0.000.00	0.000.00
iii) Interest accrued but not	0.000.00	0.000.00	0.000.00	0.000.00
<b>Total (i+ii+iii)</b>	<b>436,73,550/-</b>	<b>106,49,998/-</b>	<b>0.00</b>	<b>543,23,548/-</b>
Change in Indebtedness during the financial year				
- Addition	108,70,006/-			
- Reduction		(71,84,814/-)	0.00	
<b>Net Change</b>	<b>108,70,006/-</b>	<b>(71,84,814/-)</b>	<b>0.00</b>	<b>36,85,192/-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	545,43,556/-	34,65,184/-	0.00	580,08,740/-
ii) Interest due but not paid	0.000.00	0.000.00		
iii) Interest accrued but not due	0.000.00	0.000.00		
<b>Total (i+ii+iii)</b>	<b>545,43,556/-</b>	<b>34,65,184/-</b>	<b>0.00</b>	<b>580,08,740/-</b>

## I. 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 (b) Value of perquisites u/s17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	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> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-taxAct, 1961 (c) Profits in lieu of salary under section17(3) Income-taxAct, 1961	NA	1,48,619/-	3,98,040/-	<b>5,46,659/-</b>
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>	NA	1,48,619/-	3,98,040/-	<b>5,46,659/-</b>

### I. 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> Penalty Punishment Compounding			NIL		
<b>B. Directors</b> Penalty Punishment Compounding			NIL		
<b>C. Other Officers In Default</b> Penalty Punishment Compounding			NIL		

## ANNEXURE 2

### 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 Sub-clause of Clause 49 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,  
Vinit Maharia  
(Independent Director)

Date: 31.03.2015  
Place: Hyderabad

## ANNEXURE 2

### 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 Sub-clause of Clause 49 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,

Date: 31.03.2015

Place: Hyderabad

Budhi Prakash Toshniwal

(Independent Director)

## ANNEXURE 2

### 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 Sub-clause of Clause 49 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,

Date: 31.03.2015  
Place: Hyderabad

Harinarayan Vyas  
(Independent Director)



## ANNEXURE 2

### 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 Sub-clause of Clause 49 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,

Date: 31.03.2015  
Place: Hyderabad

A Neelima Reddy  
(Independent Director)

### ANNEXURE 3

#### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable (All related Party Transactions are on Arm's Length Price)
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts / arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board:
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis:

**(a) Name(s) of the related party and nature of relationship:**

Sr. No.	Name of Related Party	Nature of Relationship
1.	Mahaveer Telecom Private Limited	Subsidiary Company of Mahaveer Infoway Limited
2.	Mrs. Leela Bai Kothari	Relative of Ashok Kumar Jain, Managing Director of the Company

**(b) Nature of contracts/arrangements/transactions:**

Sr. No.	Name of Related Party	Nature of Contracts/ Arrangements/ Transactions
1.	Mahaveer Telecom Private Limited	Sale Purchase of Goods & Services
2.	Mrs. Leela Bai Kothari	Rendering Services

**(c) Duration of the contracts / arrangements/transactions:**

Sr. No.	Name of Related Party	Duration of Contracts/ Arrangements/ Transactions
1.	Mahaveer Telecom Private Limited	Depending Upon the Business Transaction
2.	Mrs. Leela Bai Kothari	5 Years (From 1st April, 2014 to 31st March, 2019)

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

<b>Sr. No.</b>	<b>Name of Related Party</b>	<b>Silent Terms of Contracts/ Arrangements/ Transactions</b>
1.	Mahaveer Telecom Private Limited	Sale-Purchase Agreement Between the Subsidiary and Holding Company on Arm's Length Price upto Rs. 600.00 Lakhs
2.	Mrs. Leela Bai Kothari	Leave and Licence Agreement for 5 Years (From 1st April, 2014 to 31st March, 2019) on the Rent of Rs. 60,000/- per month and Deposit of Rs. 2,00,000/- and other Terms mentioned In the Agreement.

**(e) Date(s) of approval by the Board, if any:**

**Sr. Name of Related Party  
No.**

**Date of Approval By Board**

- |    |                                  |                |
|----|----------------------------------|----------------|
| 1. | Mahaveer Telecom Private Limited | 30th May, 2014 |
| 2. | Mrs. Leela Bai Kothari           | 30th May, 2014 |

**(f) Amount paid as advances, if any: Not Applicable**

For and on behalf of the Board of

Mahaveer Infoway Limited

Sd/-

Ashok Kumar Jain  
Managing Director

Sd/-

Rajender Kumar Jain  
Director

Date:14/08/2015  
Place: Hyderabad

#### ANNEXURE 4

Ratio of Remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year:

(Pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014)

Sr. No.	Name of the Director	Remuneration Per Annum	Median Remuneration Per Annum	Ratio (Remuneration of Director to Median Remuneration)	Remarks
1.	Mr. Ashok Kumar Jain	3,00,000/-	4,50,000/-	0.66:1	
2.	Mr. Vijay Jain	3,00,000/-	4,50,000/-	0.66:1	
3.	Mr. Jeetendra Bhansali	2,28,000/-	4,50,000/-	0.51:1	
4.	Mr. Prasanna Dixit	6,24,000/-	4,50,000/-	1.38:1	

**ANNEXURE 5**  
**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, 2015**

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"). Secretarial 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, 2014 and ended 31<sup>st</sup> March, 2015, 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, 2015, 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;
  - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - 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;
  - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India under the provisions of Companies Act, 1956 and
  - ii. The Listing Agreements entered into by the Company with BSE Limited;

**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 change in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provisions of the Act.

We, further report that 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.

For S.S. Reddy & Associates  
Sd/-  
S. Sarveswara Reddy  
Practicing Company Secretaries  
C. P. No: 7478

Place: Hyderabad  
Date: 14/08/2015

## ANNEXURE A

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  
Sd/-  
S. Sarveswara Reddy  
Practicing Company Secretaries  
C. P. No: 7478

Place: Hyderabad  
Date: 14/08/2015

## 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, 2015, 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 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, 2015, 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, 2015("the Order") issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
3. 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 : 29.05.2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **i. In respect of its fixed assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management, and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax and other material statutory dues applicable to it with the appropriate authorities but not with in the respective due dates. However, Interest for such delay payments are calculated and paid with respective departments.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
  - (c) There were no dues with respect to Income-tax, Service Tax, Customs Duty, Excise Duty and Cess which has not been deposited as at 31 March 2015, on account of any dispute.
  - (d) There are no dues payable to Investors' Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

- viii. The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions & banks.
- x. In our opinion and according to the information and explanations given to us, the company has not given any guarantee during the current year for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company .
- xi. In our opinion and according to the information and explanations given to us, the term loan has been applied by the company during the year for the purposes for which it was obtained, other than temporary deployments pending application.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Sd/-

A Srilakshmi  
Partner

M.No:107945

Place: Hyderabad  
Date : 29.05.2015

**MAHAVEER INFOWAY LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Amount in Rupees)

Particulars	Note No.	As at the 31st March 2015	As at the 31st March 2014
<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	14,590,059	12,908,530
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	2,087,479	266,532
(b) Deferred tax liabilities (net)	5	382,250	214,484
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	55,921,261	54,057,016
(b) Trade payables	7	17,528,559	57,998,450
(c) Other current liabilities	8	1,598,594	17,306,162
(d) Short-term provisions	9	6,954,133	4,833,932
<b>TOTAL</b>		<b>154,152,334</b>	<b>202,675,106</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		3,485,615	6,139,010
(iii) Capital work-in-progress		14,210,170	3,746,860
(b) Non-current investments	11	17,529,064	18,299,310
<b>2 Current assets</b>			
(a) Inventories	12	25,326,099	42,380,377
(b) Trade receivables	13	57,340,072	99,340,704
(c) Cash and cash equivalents	14	8,057,265	4,483,355
(d) Short term loans and advances	15	20,994,261	23,207,501
(e) Other current assets	16	7,209,788	5,077,990
<b>TOTAL</b>		<b>154,152,334</b>	<b>202,675,106</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: 29.05.2015

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

Sd/-

Managing Director

Sd/-

Chief Financial Officer

Sd/-

Director

Sd/-

Company Secretary

**MAHAVEER INFOWAY LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2015**  
**(Amount in Rupees)**

Particulars	Refer Note No.	For the Year ended 31st March , 2015	For the Year ended 31st March , 2014
<b>I. Revenue From Operations</b>			
Sales less Returns		559,559,620	721,853,872
<b>II. Other income</b>	17	63,101,493	57,943,605
<b>III. Total Revenue (I + II)</b>		622,661,113	779,797,477
<b>IV. Expenses:</b>			
Purchases less Returns		528,327,182	720,722,836
(Increase)/Decrease in Stock		17,193,188	(11,748,501)
Operating Expenses	18	27,255,883	31,851,812
Administrative and Other Expenses	19	39,796,947	29,933,212
Depreciation expense	10	888,675	852,568
Interest	20	6,097,964	5,291,545
Loss From Tech Minfy		305,906	
<b>Total expenses</b>		<b>619,865,745</b>	<b>776,903,472</b>
<b>V Profit before tax (III- IV)</b>		2,795,368	2,894,005
<b>VI Tax expense:</b>			
(1) Current tax		946,073	954,545
(2) Minimum Alternate Tax		-	-
(2) Deferred tax		167,766	24,322
		1,113,839	978,867
<b>VII Profit (loss) for the period (V- VI)</b>		1,681,530	1,915,138
<b>VIII Earnings per equity share:</b>			
(1) Basic		0.31	0.35
(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: 29.05.2015

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

Sd/-

Managing Director

Sd/-

Chief Financial Officer

Sd/-

Director

Sd/-

Company Secretary

**MAHAVEER INFOWAY LTD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015**

Particulars	2014-2015	2013-2014
<b>Cash Flow From Operating Activity :</b>		
Net Profit for Year carried to B/S	1,681,530	1,915,138
<i>Adjustments for :</i>		
Provisions for income tax	946,073	954,545
Deferred Tax Income	167,766	24,322
Depreciation	888,675	852,568
Financial Charges	6,097,964	5,291,545
Interest Received	(273,013)	(1,866,206)
Dividend Received	-	(6,903)
Sundry Balances Written Off	32,967	82,211
Donations	4,200	7,200
<b>Cash operating profit before Working Capital Changes</b>	<b>9,546,161</b>	<b>7,254,419</b>
(Increase)/Decrease in Debtors	42,000,632	(47,117,211)
(Increase)/Decrease in stock	17,054,278	(15,704,868)
(Increase)/Decrease in Advances	2,213,240	11,063,411
(Increase)/Decrease in other Current Assets	(2,131,798)	(644,123)
Increase/(Decrease) in Current Liabilities	(55,042,148)	39,416,422
<b>Cash Flow after Working Capital Changes</b>	<b>13,640,365</b>	<b>(5,731,950)</b>
Less : Tax paid		-
<b>Net Cash Flow from Operating Activities before Extra-ordinary items</b>	<b>13,640,365</b>	<b>(5,731,950)</b>
Less: Sundry Balance Written Off		(82,211)
Less: Donations		(7,200)
<b>Cash Flow after Extra-ordinary Items</b>	<b>13,640,365</b>	<b>(5,821,360)</b>
<b>Cash Flow From Investing Activity :</b>		
Sale/(Purchase) of Fixed Assets	(8,696,943)	(1,935,939)
Interest Received	273,013	1,866,206
Dividend received	-	6,903
Sale/(Purchase) of Investment	770,246	597,030
<b>Net Cash Flow from Investing Activities</b>	<b>(7,653,684)</b>	<b>534,200</b>

<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
<b>Cash Flow From Financing Activity :</b>		
Financial Charges	(6,097,964)	(5,291,545)
Secured Loan raised	10,870,006	4,867,231
Repayment of Long Term Borrowings	-	(745,109)
Loans from Directors	610,784	613,619
Unsecured Loans raised/(repaid)	(7,795,598)	(1,311,067)
<b>Net Cash Flow from Financing Activities</b>	<b>(2,412,772)</b>	<b>(1,866,871)</b>
Net Cash Flow from Operating Activities	13,640,365	(5,821,360)
Net Cash Flow from Investing Activities	(7,653,684)	534,200
Net Cash Flow from Financing Activities	(2,412,772)	(1,866,871)
	3,573,910	(7,154,031)
Add: Opening Cash and Cash Equivalents	4,483,355	11,637,386
Closing Cash and Cash Equivalents	<b>8,057,265</b>	<b>4,483,355</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 31-3-2015 and found the same to be drawn in accordance therein and also with the requirement of Listing Agreement with Ahmedabad Stock Exchange Ltd.

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

Place: Hyderabad  
Date: 29.05.2015

**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	2014-15	2013-14
Net Profit/ (Loss) after taxes for the year (Rs.)	16,81,530	19,15,138
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.)	0.31	0.35
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 TechMinfy Info Solutions LLP amounts to Rs.50,000/-.

#### 1.17. Fixed Assets

Capital Work-in-progress: current status for 2015

Company has incurred an expenditure on construction of building of Rs.1, 42, 10,170/- 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

- Bitumen Trading
- Staffing/HR Related Services
- IT Software Development
- Mobile-Handsets 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 centres 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 Mahaveer Telecom Private Limited
Key Management Personnel (KMP)	Mr. Ashok Kumar Jain – Managing Director Mr. Rajender Kumar Jain - Director Mr. Vijay Jain -Director Mr. Jeetendra Bhansali - Director Mr. Prasanna Dixit - Director Mrs. Allola Neelima Reddy -Director Mr. Vinit Maharia -Director Mr. Budhi Prakash Toshniwal - Director 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

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	2014-15	2013-14
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Remuneration to KMP	14,52,000	11,88,096
Rent Paid to relative of KMP	6,30,000	6,00,000
Loans and advances taken from KMP (Interest free loans)	34,65,184	7,96,511
Loans and advances given to KMP (Interest free loans)	-	8,19,082
Loans and advances taken from relatives of KMP (Interest free loan)	-	1,34,892
Loans and advances given to relatives of KMP	-	6,21,951
Purchase of goods from Subsidiary (MTPL)	7,39,70,920	19,82,59,798
Investment in Body Corporate	50000	-
Loans and advances to Subsidiaries	85,22,616	-
Loan to Body Corporate	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, 2015 in terms of the provisions of "The Micro, Small, and Medium Enterprises Development Act, 2006".

#### 1.22. Managerial Remuneration (Amount in Rs.)

Particulars	2014-15	2013-14
Salaries and Allowances	14,52,000	11,88,096
<b>Total</b>	<b>14,52,000</b>	<b>11,88,096</b>

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

Particulars	2015	2014
Audit Fees (excluding service tax)	75,000	75,000
Total	75,000	75,000

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	2015	2014
Services rendered	28.59	45.46
Total	28.59	45.46

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.)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorised 60,00,000 Equity Shares of Rs. 10 each	60,000,000	60,000,000
Issued, Subscribed & fully Paid up 55,09,000 Equity Shares of Rs. 10 each	55,090,000	55,090,000
Total	55,090,000	55,090,000

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

Name of Shareholder	Equity Shares As at 31st March 2015		Equity Shares As at 31st March 2014	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held
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	5.3	296,000	5.37	296,000

**3. Reserves and Surplus**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
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	12,428,781	10,513,644
(+) Net Profit/(Net Loss) For the current year	1,681,530	1,915,138
(-) Dividends Paid	-	-
(-) Dividend Tax and Surcharge thereon	-	-
Closing Balance	14,110,311	12,428,781
<b>Total</b>	<b>14,590,059</b>	<b>12,908,529</b>

**4. Long term borrowings**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Axis bank Term Loan	2,087,479	266,532
Total	2,087,479	266,532

**5. Computation of Deferred Tax Liability**

31-Mar-2015

Particulars	Book Value	Tax Value	Difference
Fixed Assets	3,485,615	4,722,670	(1,237,055)
Total of Fixed Assets (Deferred Liability)	3,485,615	4,722,670	(1,237,055)
Total Deferred Assets	-	-	-
Total timing difference	3,485,615	4,722,670	(1,237,055)
Deferred Tax (Liability) Asset as at 31.03.2015			(382,250)
Deferred Tax (Liability) Asset as at 31.03.2014			(214,484)
Balance to be credited to P & L A/C			(167,766)

**6. Short term borrowings**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Cash Credit from Axis Bank	52,456,077	43,407,018
Loans from Directors	3,465,184	2,854,400
Others	-	7,795,598
Total	55,921,261	54,057,016

**7. Trade Payables**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Dues to Micro and Small Enterprises	-	-
Dues to other than Micro and Small Enterprises		
(a) Trade Payables (including LC Parents)	17,528,559	57,998,450
Total	17,528,559	57,998,450

**8. Other current liabilities**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Other current Liabilities	1,598,594	17,306,162
Total	1,598,594	17,306,162

**9. Short term provisions**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for taxation	946,073	954,545
Dividend on Equity Shares	-	-
Provision for Corporate Dividend Tax	-	-
Other provisions	6,008,060	3,879,387
Total	6,954,133	4,833,932

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

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		As on 1.04.2014	Additions	Deletions	As on 31.03.15	As on 1.04.2014	For Current year	Dep Adjustment	As on 31.03.15	As on 31.03.15	As on 31.03.14
1	Land & Building	3,299,678	-	2,018,498	1,281,180	-	-	-	-	1,281,180	3,299,678
2	Plant & Machinery	674,518	55,021	-	729,539	345,624	52,163	-	397,787	331,752	328,894
3	Computers	3,155,678	125,545	-	3,281,223	2,749,856	344,084	-	3,093,940	187,283	405,822
4	Office Equipment	291,054	-	-	291,054	24,171	36,572	-	60,743	230,311	266,883
5	Furniture & Fixtures	2,182,272	171,372	-	2,353,644	1,777,797	86,819	-	1,864,616	489,028	404,475
6	Vehicles	4,157,796	-	99,807	4,057,989	2,724,538	367,391	-	3,091,929	966,060	1,433,258
		13,760,996	351,938	2,118,305	11,994,629	7,621,986	888,675	-	8,509,014	3,485,615	6,139,010

**11. Non-current investments**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Mahaveer Skyscraper Limited (Equity)	2,619,000	2,619,000
Mahaveer Telecom Pvt Limited (Equity)	300,000	281,000
Minfy Technologies Private Limited (Equity)	98,000	98,000
Leo Infrastructure	-	-
Arihant Optics Ltd	500,000	500,000
Hygrowth Finance	15,000	15,000
Minfy Impex		533,340
Tech Minfy Info Solutions LLP-Capital	(255,906)	-
CIL Securities	2,970	2,970
Trimurthy Drugs & Pharma	14,250,000	14,250,000
<b>Total</b>	<b>17,529,064</b>	<b>18,299,310</b>

**12. Inventories**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
(As certified by the management, at cost or net realizable value whichever is less)		
Closing Stock	25,326,099	42,380,377
<b>Total</b>	<b>25,326,099</b>	<b>42,380,377</b>

**13. Trade Receivables**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	57,340,072	99,340,704
<b>Total</b>	<b>57,340,072</b>	<b>99,340,704</b>



**14. Cash and bank balances**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Cash and cash equivalents		
Cash on hand	5,897,834	4,567,618
Bank balances		
In current accounts	254,164	94,522
In OD	1,905,264	(178,788.00)
Total	8,057,265	4,483,354

**15. Short term loans and advances**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured Considered good		
Advances recoverable in cash or kind or for value to be received	8,638,320	20,896,530
Other Loan advances		
Advance income tax and TDS	2,521,210	2,310,971
Loan to TechMinfy Info Solutions LLP	1,312,115	-
Subsidiaries	8,522,616	-
Total	20,994,261	23,207,501

**16. Other Current assets**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Deposits	4,782,767	4,684,088
Other Current Assets	2,427,021	393,902
Total	7,209,788	5,077,990

**17. Other Income**

(Amount in Rs.)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Income	273,013	1,866,206
Other Income	622,727	402,231
Videocon Income	35,305,699	24,027,432
Activation Charges	-	552,550
Rate Difference Income	-	-
Staffing Income	10,118,947	15,558,213
Discount received	8,181,092	3,258,511
Dividend Income	-	6,903
Miscellaneous Income	4,485,071	2,745,106
Export Service Income	2,859,084	5,079,352
Scheme Incentive Income	-	2,099,800
Web Development Income	1,193,810	2,205,227
Education Division Income	62,050	142,075
Total	63,101,493	57,943,606

**18. Operating Expenditure**

<b>Particulars</b>	<b>For the year ended 31st March 2015</b>	<b>For the year ended 31st March 2014</b>
Advertisement Expenses	47,800	54,360
Electricity Charges	269,203	380,155
Communication Expenses	303,848	176,388
Travelling and Conveyance	534,611	580,032
Other Expenses	6,188,748	2,935,614
Postage & Courier Expenses	-	12,258
Rent	1,020,720	906,800
Staff Welfare Expenses	354,610	102,998
Salaries and Bonus	15,957,942	22,552,478
Directors Remuneration	-	-
Repairs and Maintenance	229,851	265,351
Office Maintenance	560,671	1,283,275
Exchange gain/loss	-	1,069,438
Costing Expenses	1,115,428	1,532,665
CST Paid	-	-
<b>Total</b>	<b>26,583,433</b>	<b>31,851,812</b>

**19. Administrative and Other Expenses**

<b>Particulars</b>	<b>For the year ended 31st March 2015</b>	<b>For the year ended 31st March 2014</b>
Rates and Taxes	2,469,729	1,602,987
Legal and Consultancy Charges	60,500	279,255
Insurance	158,884	142,607
Payment to Auditors	-	25,000
DTH & other related Exp. (Videocon & Reliance)	34,427,647	24,888,371
Printing & Stationary	122,339	54,425
Bank Charges	734,845	396,584
Commission paid	440,598	265,666
General Expenses	-	184,106
Annual Charges	62,572	115,493
Filing & Listing Fees	648,163	-
Business Promotions	292,389	474,219
Staffing Expenses	326,163	387,615
Other Expenses	636,851	1,116,885
Interest on Late Payments	88,718	-
<b>Total</b>	<b>40,469,398</b>	<b>29,933,213</b>

## 20. Interest & Finance Charges

<b>Particulars</b>	<b>For the year ended 31st March 2015</b>	<b>For the year ended 31st March 2014</b>
Interest & Finance Charges	6,097,964	5,291,545
Total	6,097,964	5,291,545

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

Place: Hyderabad  
Date: 29.05.2015

## 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 Company"), which comprise the Balance Sheet as at 31 March, 2015, 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 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, 2015, 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, 2015("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
3. 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/-  
CA. A Srilakshmi  
Partner  
M.No:107945

Place: Hyderabad  
Date : 29.05.2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**i. In respect of its fixed assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management, and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax and other material statutory dues applicable to it with the appropriate authorities but not with in the respective due dates. However, Interest for such delay payments are calculated and paid with respective departments.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
  - (c) There were no dues with respect to Income-tax, Service Tax, Customs Duty, Excise Duty and Cess which has not been deposited as at 31 March 2015, on account of any dispute.
  - (d) There are no dues payable to Investors' Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

- viii. The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions & banks.
- x. In our opinion and according to the information and explanations given to us, the company has not given any guarantee during the current year for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company .
- xi. In our opinion and according to the information and explanations given to us, the term loan has been applied by the company during the year for the purposes for which it was obtained, other than temporary deployments pending application.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Sd/-  
CA. A Srilakshmi  
Partner  
M.No:107945

Place: Hyderabad  
Date : 29.05.2015

**MAHAVEER INFOWAY LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2015**

Amount in Rs.

	Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share Capital	2	55,090,000	55,090,000
	(b) Reserves and Surplus	3	15,945,903	14,025,290
<b>2</b>	<b>Minority Interest</b>		974,884	201,853
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long term borrowings	4	2,087,479	12,761,112
	(b) Deferred tax Liabilities	5	382,618	214,852
<b>4</b>	<b>Current liabilities</b>			
	(a) Short term borrowings	6	59,944,363	54,057,016
	(b) Trade Payables	7	39,957,129	119,599,745
	(c) Other Current Liabilities	8	2,560,997	17,312,520
	(d) Short Term Provisions	9	10,309,951	5,237,210
	<b>TOTAL</b>		<b>187,253,323</b>	<b>278,499,598</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	(a) Fixed assets	10		
	i) Tangible assets		3,485,615	6,141,155
	ii) Capital Work in Progress		14,210,170	3,746,860
	(b) Non-Current investments	11	17,131,064	17,920,310
	(c) Other Non-Current assets	12	47,525	32,525
	(d) Long term Loans & Advances	13	-	1,532,800
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	29,380,648	61,217,744
	(b) Trade receivables	15	83,511,581	152,676,159
	(c) Cash and Cash Equivalents	16	9,299,638	5,253,274
	(d) Short term loans and advances	17	21,009,759	23,334,721
	(e) Other Current assets	18	9,177,323	6,644,050
	<b>TOTAL</b>		<b>187,253,323</b>	<b>278,499,598</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

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

Sd/-  
Managing Director  
Sd/-  
Chief Financial Officer

Sd/-  
Director  
Sd/-  
Company Secretary

Place: Hyderabad  
Date: 29.05.2015



**MAHAVEER INFOWAY LIMITED**  
**Consolidated Profit and loss Account for the year ended 31st March, 2015**

Amount in Rs.

	Particulars	Refer Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
<b>I.</b>	<b>Revenue From Operations</b>			
a	Sale less Returns		781,457,111	1,097,618,793
<b>II.</b>	<b>Other income</b>	19	66,747,582	68,754,971
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>848,204,693</b>	<b>1,166,373,764</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of Materials Consumed		713,634,859	1,112,479,035
	Changes in Inventory		31,976,006	-21,089,341
	Operating Expenses	20	48,450,538	33,717,627
	Administrative and Other Expenses	21	42,481,950	30,341,667
	Depreciation expense		890,820	853,998
	Finance Expenses	22	6,453,965	6,420,733
	Loss From Tech Minfy LLP		305,906	-
<b>V</b>	<b>Total expenses</b>		844,194,044	1,162,723,719
<b>VI</b>	<b>Profit before tax (III- IV)</b>		4,010,649	3,650,045
<b>VII</b>	<b>Tax expense:</b>			
	(1) Current tax		1,335,275	1,262,312
	(2) Minimum Alternate Tax		-	-
	(2) Deferred tax		167,766	24,322
			-----	-----
			1,503,041	1,286,634
<b>VIII</b>	<b>Profit (loss) for the period (V- VI)</b>		2,507,608	2,363,411
<b>IX</b>	<b>Earnings per equity share:</b>			
	(1) Basic		0.46	0.43
	(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

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

Sd/-  
Managing Director  
Sd/-  
Chief Financial Officer

Sd/-  
Director  
Sd/-  
Company Secretary

Place: Hyderabad  
Date: 29.05.2015

**MAHAVEER INFOWAY LTD**  
**Consolidated Cash Flow Statement for the Year Ended 31.03.2015**

Particulars	2014-15	2013-14
<b>Cash Flow From Operating Activity :</b>		
Net Profit for Year carried to B/S	2,896,811	2,671,178
<b>Adjustments for :</b>		
Provisions for tax	1,038,812	1,035,846
Deferred Tax Income	167,766	24,322
Depreciation	890,820	853,998
Financial Charges	6,453,965	6,256,350
Interest Received	(273,013)	(1,866,206)
Dividend Received	-	(6,903)
Sundry Balances Written Off	32,967	82,211
Donations	4,200	7,200
Discount Received	(671)	(8,000)
Provision for Expenses	2,460,398	8,150
<b>Cash Flow before Working Capital Changes</b>	13,672,055	9,058,145
(Increase)/Decrease in Debtors	69,164,577	(76,404,271)
(Increase)/Decrease in stock	31,837,096	(25,045,708)
(Increase)/Decrease in Advances	3,021,268	15,369,852
(Increase)/Decrease in other Current Assets	(2,533,009)	(1,630,713)
Increase/(Decrease) in Current Liabilities	(93,647,159)	69,099,570
<b>Cash Flow after Working Capital Changes</b>	21,514,828	(9,553,124)
Less : Tax paid	122,332	299,058
<b>Net Cash Flow from Operating Activities before Extra-ordinary items</b>	21,392,496	(9,852,182)
Less: Sundry Balance Written Off	-	(82,211)
Less: Donations	-	(7,200)
<b>Cash Flow after Extra-ordinary Items</b>	21,392,496	(9,941,593)
<b>Cash Flow From Investing Activity :</b>		
Sale/(Purchase) of Fixed Assets	(8,696,943)	(1,935,939)
Interest Received	273,013	1,866,206
Dividend received	-	6,903
Sale/(Purchase) of Investment	770,246	597,030
Deposit with NSC	15,000	-

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Net Cash Flow from Investing Activities</b>	(7,638,684)	534,200
<b>Cash Flow From Financing Activity :</b>		
Financial Charges	(6,453,965)	(6,256,350)
Secured Loan raised	10,870,006	4,867,231
Unsecured Loans raised/(repaid)	(6,388,934)	3,900,197
Repayment of Long Term Borrowings	(9,878,142)	(745,109)
Loans from Directors	2,143,584	613,619
Interest Paid	-	-
Increase in Share Capital	-	-
<b>Net Cash Flow from Financing Activities</b>	(9,707,451)	2,379,589
Net Cash Flow from Operating Activities	21,392,496	(9,941,593)
Net Cash Flow from Investing Activities	(7,638,684)	534,200
Net Cash Flow from Financing Activities	(9,707,451)	2,379,589
	4,046,361	(7,027,804)
Add: Opening Cash and Cash Equivalents	5,253,277	12,281,081
Closing Cash and Cash Equivalents	9,299,638	5,253,277

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  
Place: Hyderabad  
Date: 29.05.2015

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

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

**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:

<b>S. No.</b>	<b>Name of the Entity</b>	<b>Nature of Relationship</b>	<b>Ownership</b>
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	2014-15	2013-14
Net Profit/ (Loss) after taxes for the year (Rs.)	25,07,609	23,63,411
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.)	0.46	0.43
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, 2015:

S.No	Particulars	Amount
1	Mahaveer Skyscrappers Limited	26,19,000
2	Arihant Optics Ltd	5,00,000
3	Hygrowth Finance	15000
4	Trimurthy Drugs & Pharma	1,42,50,000
5	CIL Securities	2970
6	Tech Minfy Info Solutions LLP (Capital)	50,000

### 1.17. Fixed Assets

Capital Work-in-progress: current status for 2015

Company has incurred an expenditure on construction of building of Rs.1, 42, 10,170/- 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. Bitumen Trading
2. Staffing/HR Related Services
3. IT Software Development
4. Mobile-Handsets 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 centres 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:

<b>Nature of Relationship</b>	<b>Name of the Related Party</b>
-------------------------------	----------------------------------

Subsidiary	Minfy Technologies Private Limited Mahaveer Telecom Private Limited
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Key Management Personnel (KMP)	Mr. Ashok Kumar Jain – Managing Director Mr. Rajender Kumar Jain - Director Mr. Vijay Jain -Director Mr. Jeetendra Bhansali - Director Mr. Prasanna Dixit - Director Mrs. Allola Neelima Reddy -Director Mr. Vinit Maharia -Director Mr. Budhi Prakash Toshniwal - Director 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
--------------------------	-------------------------------

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



<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Remuneration to KMP	14,52,000	11,88,096
Rent Paid to relative of KMP	6,30,000	6,00,000
Loans and advances taken from KMP (Interest free loans)	34,65,184	7,96,511
Loans and advances given to KMP (Interest free loans)	-	8,19,082
Loans and advances taken from relatives of KMP (Interest free loan)	-	1,34,892
Loans and advances given to relatives of KMP	-	6,21,951
Purchase of goods from Subsidiary (MTPL)	7,39,70,920	19,82,59,798
Investment in Body Corporate	50000	-
Loans and advances to Subsidiaries	85,22,616	-
Loan to Body Corporate	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 reliability.

**1.21.** The Company has not having the suppliers who are registered as Micro, Small, Medium Enterprise as on March 31, 2015 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)**

<b>Particulars</b>	<b>2015</b>	<b>2014</b>
Services rendered	49.71	45.46
<b>Total</b>	<b>49.71</b>	<b>45.46</b>

**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.

**2. SHARE CAPITAL**

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorised 60,00,000 Equity Shares of Rs. 10 each	60,000,000	60,000,000
Issued, Subscribed & fully Paid up 55,09,000 Equity Shares of Rs. 10 each	55,090,000	55,090,000
<b>Total</b>	<b>55,090,000</b>	<b>55,090,000</b>

**3. Reserves and Surplus**

Particulars	As at 31st March 2015	As at 31st March 2014
<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	13,545,542	11,181,983
(+) Net Profit/(Net Loss) For the current year	1,920,613	2,363,559
(-) Dividends Paid	-	-
(-) Dividend Tax and Surcharge thereon	-	-
Closing Balance	15,466,155	13,545,542
<b>Total</b>	<b>15,945,903</b>	<b>14,025,290</b>

**4. Long term borrowings**

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured Loan - others	2,087,479	12,761,112
<b>Total</b>	<b>2,087,479</b>	<b>12,761,112</b>

**5. Computation of Deferred Tax Liability**

Particulars	Book Value	Tax Value	Difference
Fixed Assets	3,485,615	4,722,670	(1,237,055)
Total of Fixed Assets (Deferred Liability)	3,485,615	4,722,670	(1,237,055)
Total Deferred Assets	-	-	-
Total timing difference	3,485,615	4,722,670	(1,237,055)
Deferred Tax (Liability) Asset as at 31.03.2015			(382,250)
Deferred Tax (Liability) Asset as at 31.03.2014			(214,484)
Balance to be credited to P & L A/C			(167,766)

## 6. Short term borrowings

Particulars	As at 31st March 2015	As at 31st March 2014
Cash Credit from Axis Bank	52,456,077	43,407,018
Loans from Directors	4,215,184	2,854,400
Others	3,273,102	7,795,598
<b>Total</b>	<b>59,944,363</b>	<b>54,057,016</b>

## 7. Trade Payables

Particulars	As at 31st March 2015	As at 31st March 2014
Dues to Micro and Small Enterprises		-
Dues to other than Micro & Small Enterprises (a) Trade Payables (including LC Payments)	39,957,129	119,599,745
<b>Total</b>	<b>39,957,129</b>	<b>119,599,745</b>

## 8. Other current liabilities

Particulars	As at 31st March 2015	As at 31st March 2014
Other current Liabilities	2,560,997	17,312,520
<b>Total</b>	<b>2,560,997</b>	<b>17,312,520</b>

## 9. Short term provisions

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for taxation	1,149,188	1,262,311
Dividend on Equity Shares	-	-
Provision for Corporate Dividend Tax	-	-
Other provisions	9,160,763	3,974,899
<b>Total</b>	<b>10,309,951</b>	<b>5,237,210</b>

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

Note 10

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK		
		As on 1.04.2014	Additions	Deletions	As on 31.03.15	As on 1.04.2014	For Current year	Dep Adjustment	As on 31.03.15	As on 31.03.15	As on 31.03.14	
1	Land & Building	3,299,678	-	2,018,498	1,281,180	-	-	-	-	1,281,180	3,299,678	
2	Plant & Machinery	674,518	55,021	-	729,539	345,624	52,163	-	397,787	331,752	328,894	
3	Computers	3,159,253	125,545	-	3,284,798	2,751,286	346,229	-	3,097,515	187,283	407,967	
4	Office Equipment	291,054	-	-	291,054	24,171	36,572	-	60,743	230,311	266,883	
5	Furniture & Fixtures	2,182,272	171,372	-	2,353,644	1,777,797	88,466	-	1,866,263	489,028	404,475	
6	Vehicles	4,157,796	-	99,807	4,057,989	2,724,538	367,391	-	3,091,929	966,060	1,433,258	
		13,764,571	351,938	2,118,305	11,998,204	7,623,416	890,821	-	8,514,237	3,485,614	6,141,155	

**11. Non-current investments**

Particulars	As at 31st March 2015	As at 31st March 2014
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	-	533,340
Tech Minfy Info Solutions LLP	-255,906	-
Trimurthy Drugs & pharma	14,250,000	14,250,000
CIL Securities	2,970	2,970
<b>Total</b>	<b>17,131,064</b>	<b>17,920,310</b>

**12. Other Non-Current Assets**

Particulars	As at 31st March 2015	As at 31st March 2014
Pre-operative Expenses	32,525	32,525
Deposits	15,000	-
<b>Total</b>	<b>47,525</b>	<b>32,525</b>

**13. Long term loans & Advances**

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured - Mahaveer Infoway Ltd	-	1,532,800
<b>Total</b>	<b>-</b>	<b>1,532,800</b>

**14. Inventories**

Particulars	As at 31st March 2015	As at 31st March 2014
(As certified by the management, at cost or net realizable value whichever is less)		
Closing Stock	29,380,648	61,217,744
<b>Total</b>	<b>29,380,648</b>	<b>61,217,744</b>

**15. Trade Receivables**

Particulars	As at 31st March 2015	As at 31st March 2014
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	83,511,581	152,676,158
<b>Total</b>	<b>83,511,581</b>	<b>152,676,158</b>

**16. Cash and bank balances**

Particulars	As at 31st March 2015	As at 31st March 2014
Cash and cash equivalents		
Cash on hand	6,638,122	5,233,037
Bank balances		
In current accounts	756,252	20,236
Bank OD	1,905,264	
Total	9,299,638	5,253,274

**17. Short term loans and advances**

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured Considered good		
Advances recoverable in cash or kind or for value to be received	8,653,817	21,023,750
Other Loan advances	-	
Advance income tax and TDS	2,521,210	2,310,971
TechMinfy Info Solutions LLP	1,312,115	-
MTPL	8,522,617	
Total	21,009,759	23,334,721

**18. Other current assets**

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured Considered good:		
Deposits	4782767	4964923.7
Other Current Assets	4,394,556	1,679,126
Total	9,177,323	6,644,050

**19. Other Income**

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest Income	273,013.00	1,866,206
Other Income	624,086.00	402,231
Videocon Income	35,305,699.00	24,027,432
Activation Charges	-	552,550
Staffing Income	10,118,947.00	15,558,213
Discount received	8,181,763.00	3,266,511
Dividend Income	-	6,903
Miscellaneous Income	5,411,675.00	3,063,759
Education Division Income	62,050.00	142,075

Target achievement incentive scheme	2,060,129	2,955,032
Export Service Income	2,859,084.00	5,079,352
Scheme Incentive Income	-	2,099,800
Special discount / Scheme	657,326.00	7,493,191
Round off Account	-	67
Sundry written off	-	36,423
Web Development Income	1,193,810	2,205,227
<b>Total</b>	<b>66,747,582.00</b>	<b>68,754,971</b>

## 20. Operating Expenditure

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Advertisement Expenses	47,800	54,360
Electricity Charges	493,828	380,155
Communication Expenses	493,623	176,388
Travelling and Conveyance	938,361	863,461
Other Expenses	6,202,148	2,935,614
Postage & Courier Expenses	245,525	425,329
Rent	1,594,945	996,500
Staff Welfare Expenses	354,610	130,403
Salaries and Bonus	35,761,489	23,529,193
Repairs and Maintenance	334,102	265,351
Office Maintenance	868,679	1,283,275
Exchange gain/loss	-	1,069,438
Costing Expenses	1,115,428	1,532,665
Insurance	-	67,345
Discount Allowed	-	8,150
<b>Total</b>	<b>48,450,538</b>	<b>33,717,627</b>

**21. Administrative and Other Expenses**

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Rates and Taxes	2,469,729	1,676,987
Legal and Consultancy Charges	1,348,403	323,255
Insurance	185,830	142,607
Payment to Auditors		53,090
DTH & other related Exp. (Videocon & Reliance)	34,427,647	24,888,371
Printing & Stationary	122,339	62,855
Bank Charges	747,165	408,439
Commission paid	440,598	265,666
General Expenses	30,506	185,214
Annual Charges	62,572	115,493
Filing & Listing Fees	648,163	-
Business Promotions	365,955	474,219
Staffing Expenses	619,018	387,615
Other Expenses	636,851	1,267,766
Miscellaneous Expenses	366,574.00	87,590
Professional Tax	10,600.00	2,500
<b>Total</b>	<b>42,481,950</b>	<b>30,341,667</b>

**22. Interest & Finance Charges**

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Interest & Finance Charges	6,453,965	6,420,733
<b>Total</b>	<b>6,453,965</b>	<b>6,420,733</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: 29.05.2015

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

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

**Form No. MGT-11**

**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 for me/us and on my/our behalf at the 24th Annual General Meeting of the company, to be held on the Wednesday, 30th day of September, 2015 at 11.00 A.M. at 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad - 500016.Telangana any adjournment thereof in respect of such resolutions as are indicated below:



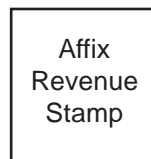
**Resolution No.**

1. Adoption of Financial Statements for the Year Ended 31st March, 2015.
2. Appointment of Mr. Vijay Jain as Director who retires by rotation.
3. Appointment of Statutory Auditors and Fixation of Their Remuneration.
4. Confirmation of Mr. Harinarayan Vyas as Director in Independent Capacity.
5. Adoption of New Articles as per Table F of the Companies Act, 2013.

Signed this ..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)



**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 24<sup>th</sup> Annual General Meeting of the members of the Company to be held on Wednesday, 30<sup>th</sup> day of September, 2015 at 11.00 A.M at 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad - 500016

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

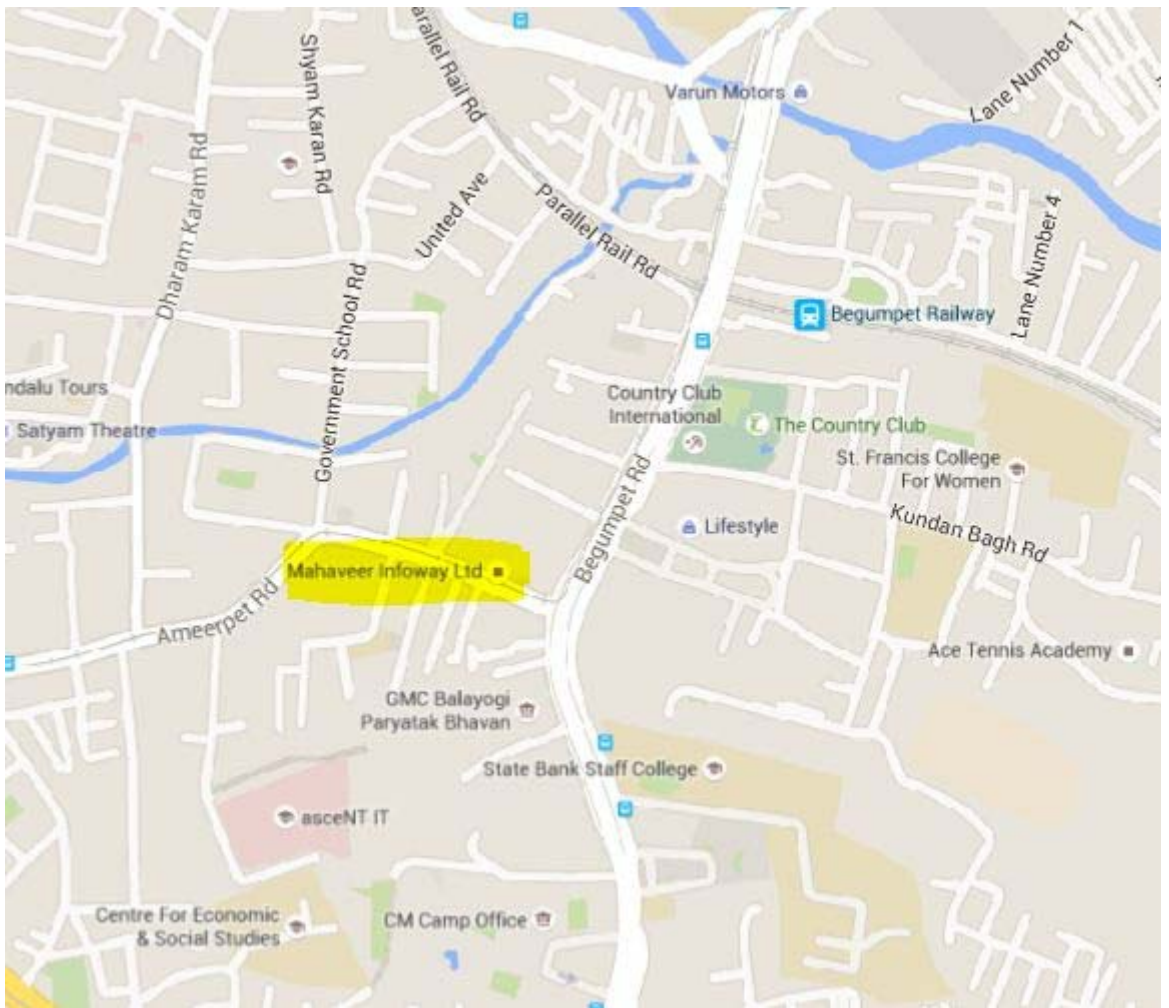
Shareholders/Proxy's full name\_\_\_\_\_ (In block letters)

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"





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 Incomtax Building,  
Vidya Nagar, Hubli - 580032 Karnataka**

